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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT *AND/OR*  
INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF US\$9.3 MILLION

TO THE

HASHEMITE KINGDOM OF JORDAN

FOR A

Strengthening Reform Management in Jordan: Additional Financing

Governance Global Practice  
Middle East And North Africa Region

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## CURRENCY EQUIVALENTS

Exchange Rate Effective May 1, 2023

Currency Unit = Jordanian Dinar (JOD)

JOD 0.709 = US\$1

## FISCAL YEAR

January 1 - December 31

Regional Vice President: Ferid Belhaj

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## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
BETF	Bank Executed Trust Fund
CMIS	Contract Management Information System
CPF	Country Partnership Framework
CPM	Contract Performance Management
DAs	Designated Accounts
DPF	Development Policy Financing
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
FCCL	Financial Commitment and Contingent Liability
FCU	Financial Commitment Unit
FM	Financial Management
GDP	Gross Domestic Product
GoJ	Government of Jordan
GPD	Government Procurement Department
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GSD	General Supply Department
GTD	Government Tender Directorate
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFRs	Interim Unaudited Financial Reports
IPA	Institute of Public administration
IPF	Investment Project Financing
ISR	Implementation Support and Reporting
IT	Information Technology
JOD	Jordanian Dinar
JONEPS	Jordan On-line E-Procurement System
KACE	King Abdullah Centre of Excellence
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MDAs	Ministries, Department and Agencies
MDTF	Multi Donor Trust Fund
MOF	Ministry of Finance
MOPIC	Ministry of Planning and International Cooperation
MOPWH	Ministry of Public Works and Housing
NGO	Non-Governmental Organization
NRIP	National Registry of Investment Projects
PCC	Procurement Complaint Committee
PCNs	Project Concept Notes
PDA	Project Development Account
PDF	Project Development Fund
PDO	Project Development Objective

PforR	Program for Results
PIM	Project Investment Management
PMDU	Prime Minister Delivery Unit
PMO	Prime Minister's Office
PMU	Project Management Unit
POM	Project Operational Manual
PP	Project Paper
PPC	Procurement Policy Committee
PPP	Public-Private Partnerships
PPSD	Project Procurement Strategy for Development
RETF	Recipient Executed Trust Fund
RM	Reform Matrix
RS	Reform Secretariat
RSF	Reform Support Fund
SCD	Systematic Country Diagnostic
SEF	Stakeholder Engagement Framework
SEP	Stakeholder Engagement Plan
SOE	Statement of Expenditures
STC	Special Tendering Committees
STEP	Systematic Tracking of Exchanges of Procurement
ToRs	Terms of References
US\$	United States Dollar
WB	World Bank

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**BASIC INFORMATION – PARENT (Strengthening Reform Management in Jordan - P171965)**

Country Jordan	Product Line Recipient Executed Activities	Team Leader(s) Miki Matsuura		
Project ID P171965	Financing Instrument Investment Project Financing	Resp CC EMNGU (9752)	Req CC MNC02 (399)	Practice Area (Lead) Governance

Implementing Agency: Ministry of Planning and International Cooperation

Is this a regionally tagged project?  No	
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Bank/IFC Collaboration  No
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Approval Date 27-Nov-2019	Closing Date 30-Jun-2024	Expected Guarantee Expiration Date	Environmental and Social Risk Classification Moderate
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**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)



**Development Objective(s)**

Strengthen coordination and delivery of policy reforms in Jordan with a focus on the Five-Year Reform Agenda

**Ratings (from Parent ISR)**

	Implementation				
	05-Oct-2020	09-Apr-2021	20-Oct-2021	03-May-2022	04-Feb-2023
Progress towards achievement of PDO	S	S	S	S	S
Overall Implementation Progress (IP)	S	MS	MS	MS	MS
Overall ESS Performance	S	MS	MU	MS	MS
Overall Risk	S	S	S	S	S

**BASIC INFORMATION – ADDITIONAL FINANCING (Strengthening Reform Management in Jordan: Additional Financing - P178480)**

Project ID P178480	Project Name Strengthening Reform Management in Jordan: Additional Financing	Additional Financing Type Restructuring, Scale Up	Urgent Need or Capacity Constraints No
Financing instrument Investment Project Financing	Product line Recipient Executed Activities	Approval Date 31-Jul-2023	
Projected Date of Full Disbursement 30-Jun-2025	Bank/IFC Collaboration No		
Is this a regionally tagged project?			




No

**Financing & Implementation Modalities**

<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

**Disbursement Summary (from Parent ISR)**

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
Grants	15.80	4.74	11.06	 30 %

**PROJECT FINANCING DATA – ADDITIONAL FINANCING (Strengthening Reform Management in Jordan: Additional Financing - P178480)****FINANCING DATA (US\$, Millions)****SUMMARY (Total Financing)**

	Current Financing	Proposed Additional Financing	Total Proposed Financing
<b>Total Project Cost</b>	6.50	9.30	15.80
<b>Total Financing</b>	6.50	9.30	15.80
<b>Financing Gap</b>	0.00	0.00	0.00

**DETAILS - Additional Financing****Non-World Bank Group Financing**





Trust Funds	9.30
Free-standing TFs for Bank	9.30

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any other Policy waiver(s)?

Yes  No



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Not Currently Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Governance

**Contributing Practice Areas**

Infrastructure, PPP's & Guarantees

**PROJECT TEAM**

**Bank Staff**

Name	Role	Specialization	Unit
Miki Matsuura	Team Leader (ADM)	Public Sector Reform	EMNGU



Responsible)			
Name	Title	Organization	Location
Aijaz Ahmad	Team Leader	PPP	IPGPP
Jad Raji Mazahreh	Team Leader	Public Sector Reform	EMNGU
Samera Esmail Mohammed Al-Harethi	Procurement Specialist (ADM Responsible)	Procurement	EMNRU
Jocelyne Jabbour	Procurement Specialist	Procurement	EMNRU
Lina Fares	Procurement Specialist	Procurement	EMNRU
Mohammad Ali Mousa Jaber	Financial Management Specialist (ADM Responsible)	Financial Management	EMNGU
Deborah Beth Berger	Social Specialist (ADM Responsible)	Social Development	SMNSO
Zeyad Abu-Hassanein	Environmental Specialist (ADM Responsible)	Environment	SMNEN
Ali Ali Hassan Salamah	Team Member	Operations	EMNGU
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Charlene D'Almeida	Social Specialist	Social Development	SMNSO
Daria Goldstein	Team Member	Legal	LEGAM
Emilie Suarez Santos	Team Member	Legal	LEGAM
Farishta Ali	Team Member	Operations	EMNGU
Hoda Youssef	Team Member	Economist	EMNMT
Karen Louise Demers	Team Member	MDTF	EMNF2
Maiada Mahmoud Abdel Fattah Kassem	Team Member	Disbursement	WFACS
Mohamed Hassan Abdulkader	Team Member	MDTF	EMNF2
Murat Cengizlier	Team Member	Legal	LEGAM
Roland Lomme	Team Member	Public Sector Reform	EMNGU
Si-Ambhaivan Sisombat	Team Member	Public Sector Reform	EMNGU
<b>Extended Team</b>			
Name	Title	Organization	Location



## I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

### A. Background

1. **This Project Paper (PP) proposes additional financing totaling US\$9.3 million to the Hashemite Kingdom of Jordan for the Strengthening Reform Management in Jordan Project (P178480) and proposes areas for restructuring.** Additional financing (AF) will be a grant of US\$9.3 million financed by the Jordan Inclusive Growth and Economic Opportunities Multi-Donor Trust Fund (MDTF) supported by the Governments of the United Kingdom, the Netherlands, Germany, Norway, and Canada. The grant for the original financing of the Project (P171965), which amounted to US\$6.5 million as a Recipient Executed Trust Fund (RETF), was approved on November 27, 2019, and became effective on January 1, 2020. The RETF amounts to 17.4 percent of the total MDTF. The original financing of the Project has a closing date of June 30, 2024 and has disbursed US\$4.54 million (69.8 percent) as of April 2023. The performance of the original financing of the Project was rated Satisfactory since the project's inception. The original financing of the Project was restructured and extended the closing date of December 31, 2022 to June 30, 2024.

2. **Following the COVID-19 crisis and despite a challenging global environment, Jordan's economic recovery has been solid, supported by the reopening of the economy, a rebound of travel and tourism and a recovery in domestic demand and key services sectors.** Jordan's growth rate in the first nine months of 2022 reached 2.7 percent, exceeding expectations. However, the rebound in economic activity was only modestly reflected on labor market indicators with unemployment rates declining only gradually and continued high rates of youth unemployment (at nearly 50 percent) and low female labor participation (at 14 percent). In the four years prior to the COVID-19 crisis, the economy was growing at a low trajectory of around 2.0 percent—hampered by the high cost of the Syrian crisis.

3. **In the face of a series of external shocks over the past decade and recent global economic turbulence, the Government of Jordan (GoJ) remains committed to its economic reform agenda with the strategic objective of promoting investment-led growth and job creation.** The GoJ's Five Year Reform Matrix was launched in 2018, with the aim of stimulating growth, investment and exports, reducing business costs, and countering labor market segmentation; and was updated in 2021 to expand and deepen reforms as part of COVID-19 recovery. In October 2022, the Cabinet of Ministers approved another update to the Reform Matrix—extending its end date to 2024 and broadening its scope by adding three pillars to the initial nine on: (a) public sector efficiency and governance; (b) agriculture; and (c) tourism. The Reform Matrix also bolsters climate action and gender across sectors. The Matrix is designed as a rolling policy document which will be regularly updated and extended in the coming years to promote reform action and results.

4. **In June 2022, the GoJ also adopted the Economic Modernization Vision 2033, an economic reform strategy for the next ten years which aims at doubling Jordan's growth rate and increasing quality of life, and which calls for a significant increase in both public and private investment.** The Vision bolsters the achievement of reform action under the Reform Matrix, not only regarding investment, public and private, but also on data and evidence-based policy making, service delivery and climate response. The Vision targets the acceleration of the annual growth rate to 5.6 percent, the creation of over one million jobs for men and women, doubling female labor force participation, an increase of per capita income by 3 percent per year on average, the improvement of economic competitiveness, and the



strengthening of environmental sustainability. Overall estimated investment needs for achieving the Vision’s objectives amount to a net increase of capital investments between 2023 and 2033 by JOD 41.4 bn (i.e., US\$ 58.4 bn), most of which (73 percent) being private investments. The Vision comprises eight key implementation drivers; high value industrials, future services, destination Jordan, smart Jordan, sustainable resources, invest Jordan, green Jordan, and vibrant Jordan.

5. **In 2019, the Government established the Reform Secretariat in the Ministry of Planning and International Cooperation (MOPIC) to coordinate the implementation of the Reform Matrix for 2018-2022 and the Secretariat is the main Project Management Unit (PMU) for the original financing of the Project.** The Reform Secretariat has been performing the main PMU function managing activities for the original financing of the Project including overall project management and coordination of reforms liaising with various entities on reforms; including Public Investment Management (PIM), Public-Private Partnerships (PPP) and public procurement reforms. The original financing of the Project has two designated accounts (DAs) to manage the project, one DA for MOPIC and the other DA for Government Procurement Department (GPD).

**Box 1. The updated Reform Matrix 2018-2024**

The Reform Secretariat is responsible for supporting and overseeing the implementation of the Reform Matrix, ensuring reforms are designed in consultation with stakeholders, reporting to the Government of Jordan (GoJ) and development partners on progress, and coordinating between GoJ entities and development partners to ensure implementation and alignment of donor programs with national priorities. Furthermore, the Reform Secretariat is responsible for producing and disseminating information and communication materials to inform all target groups, including the private sector and citizens, the progress of implementation and impact of reforms. The updated Reform Matrix 2018-2024 consists of twelve pillars:

**Pillar 1:** Fiscal Policy.

**Pillar 2:** Public Sector Efficiency and Governance (including PIM & PPP, public procurement).

**Pillar 3:** Business Enabling Environment.

**Pillar 4:** Investment and Trade Promotion.

**Pillar 5:** Access to Finance and Capital Market.

**Pillar 6:** Labor Market and Skills Development.

**Pillar 7:** Social Safety Nets.

**Pillar 8:** Transportation Sector.

**Pillar 9:** Energy Sector.

**Pillar 10:** Water Sector.

**Pillar 11:** Agriculture Sector.

**Pillar 12:** Tourism Sector.

6. **The Reform Secretariat plays a critical role in ensuring that the updated Reform Matrix 2018-2024 is fully aligned with the Economic Modernization Vision 2033 and other government reform initiatives.** The updated Reform Matrix is aligned with the Vision<sup>1</sup>, which is the overarching economic strategy for Jordan, both the reform areas and implementation arrangements (See Annex 4 for the alignment of the reform initiatives). The GoJ approved the first phase of executive plan for the Vision in December 2022<sup>2</sup>. The MOPIC is responsible for coordinating the preparation of the plan, and the Reform Secretariat supported the working groups tasked with drafting the plan. The updated Reform Matrix was

<sup>1</sup> GoJ, 2022, Economic Modernization Vision.

<sup>2</sup> The first phase is from 2023 to 2025.



incorporated into other strategies such as the Indicative Executive Development Plan for 2021-2024, the Government Economic Priority Plan for 2021-2023<sup>3</sup> and Public Sector Modernization Roadmap<sup>4</sup>, approved by the GoJ in August 2022. To coordinate and harmonize the reforms in the updated Reform Matrix with other government reform initiatives, the Reform Secretariat will liaise with the Delivery Unit and the Public Sector Modernization unit in the Prime Minister's Office (PMO), which has the mandate to oversee the implementation of the Vision and other economic and governance reforms.

## B. Project Implementation Progress

7. **The Project Development Objective (PDO) for the original financing of the Project is “to strengthen coordination and delivery of policy reforms in Jordan with a focus on the Five-Year Reform Agenda.”** The Project focused on building the capacity of the Reform Secretariat in managing policy reforms and supported implementation of PPP, PIM and public procurement reforms in the Reform Matrix 2018-2022.

8. **The Project demonstrated satisfactory progress.** In the last Implementation Status Report (ISR) of February 2023 for the achievement of Project Development Objectives (PDO) was rated as **Satisfactory** and overall implementation progress was rated **Moderately Satisfactory**. The Project disbursed US\$4.54 million (69.8 percent) of total amount as of May 2023. Progress made and challenges faced under each component are as follows:

9. **Component 1. Support to reform management (US\$3.8 million).** The project operationalized the Reform Secretariat and built the capacity of the staff to engage in policy dialogue. The Reform Secretariat was established within the MOPIC, critical positions are filled and started operating. The Reform Secretariat has been actively extending support to reform implementing Ministries, Department and Agencies (MDAs) and has engaged in policy dialogue with them and other stakeholders (see Annex 2). The Reform Secretariat has filled more positions compared to the initial target of 10 staff. As of February 2023, the Secretariat has coordinated various reforms with a total number of 61 reforms exceeding the initial target of 10 reforms, out of which 12 reforms are “predominantly benefitting women”, exceeding the initial target of 3 (See Annex 1). Furthermore, the Secretariat has provided technical assistance to 16 reform implementing agencies through the Reform Support Fund compared to the original target of 5 and conducted 93 stakeholders consultations compared to the original target of 20<sup>5</sup>. The Secretariat also developed its capacity to coordinate various World Bank financed projects and activities and promoted the implementation of the government economic reform agenda.

10. **While the Reform Secretariat was fully operationalized, institutional capacity needs to be further strengthened to coordinate with MDAs in implementing reforms.** Most staff in the Secretariat are tasked with administrative functions such as procurement, financial management, environment and social safeguards, and their capacity to engage in policy dialogue with MDAs can be improved especially on topics such as public sector, agriculture, energy, trade and tourism. The Reform Secretariat needs to further build its technical expertise to engage in policy dialogue on reform implementation in light of the expanded scope of the updated Reform Matrix. In addition, the Secretariat needs to engage with a

<sup>3</sup> According to MOPIC, 60 percent of its objectives are reflected in the Reform Matrix

<sup>4</sup> GoJ, 2022, Public Sector Modernization Roadmap.

<sup>5</sup> Reform Support Fund supported the line ministries through financing of seconded staff, IT equipment, consulting services, and does not support studies that has implications to environment and social safeguards.



broader range of external stakeholders, particularly with civil society, businesses and academia to inform the reform implementation progress. The Secretariat has been responding to MDAs' requests for support through the RSF in an ad hoc matter and there is a need to strengthen strategic prioritization and selection process.

11. **Component 2. Strengthening of the PIM/PPP framework and function (US\$2.2 million).** The original financing of the Project supported PIM and PPP units and other relevant units to develop legal, policy and institutional frameworks for PIM and PPP. The component achieved the following results:

- (a) The National Registry of Investment Projects (NRIP) was launched in July 2022.
- (b) In 2020, the PPP Law came into force, and was followed by PPP Regulations, Financial Commitment and Contingent Liability (FCCL) Instructions and PPP High Committee Instructions in 2021. The PPP Regulations established the legal and institutional framework for implementing PPP projects across all steps of the project cycle from inception to the end date of the project agreement signing, while the FCCL and High Committee Instructions operationalized the fiscal risk management and policy oversight functions.
- (c) Three implementation units have been set up: a PIM unit (in MOPIC), a PPP unit (now in the Ministry of Investment, initially under the Prime Minister's Office) and a Fiscal Commitment Unit or FCU (in the Ministry of Finance).
- (d) A cabinet level inter-ministerial High Committee for PPPs has been established to provide policy direction and provide decisions at key milestones.
- (e) The PPP Unit has issued Guidelines to facilitate the implementation of the PPP Law and By-Laws.
- (f) A Technical Committee for Fiscal Commitments (TCFC) has been established under the Ministry of Finance (MOF) to advise the minister of finance on fiscal affordability of PPP projects.
- (g) A methodology, supported by an assessment tool, has been developed by MOF to assess fiscal affordability of PPPs. Guidelines for support have been developed.
- (h) A Project Development Account (PDA) has been established to support project assessments and advisory work. The governance framework for the operation of the PDA has been developed.
- (i) A standardized template for project concept notes and appraisal for public investment including PPP projects was issued by the MOPIC in 2021/22.
- (j) 85 government officials were trained in core PIM-PPP legal and policy requirements.

12. **While good progress has been made, challenges remain with implementing the developed legal policy and institutional framework.** The governance of the PIM-PPP-FCU nexus needs to be improved by a more robust engagement of the High Committee to provide oversight of the PPP policy and program implementation. The frequency of the Committee meetings and accountability mechanism to hold the three implementation units, MDAs, and municipalities responsible for PPPs for timely project delivery can be further enhanced. In addition, more timely staffing at the PIM, PPP, and FCU units is needed to provide just-in-time support for the line ministries. Decisions on fiscal commitments and contingent liabilities by the MOF have been delayed in the past, and the process needs to be streamlined. In addition, the PIM review process is challenged by a lack of capacity across line ministries and agencies for project preparation. The PPP Law is under review for possible amendments that can streamline the process and improve the governance of the PPP 'ecosystem'.



13. **Component 3. Strengthening of public procurement framework and function (US\$0.5 million<sup>6</sup>).**

The original financing of the Project supported the GPD and other relevant units to develop public procurement policies, framework and processes which will be applied to MDAs for effective procurement. The following results have been achieved:

- (a) All public procurement contract awards processed under the Jordan on-line E-procurement System (JONEPS) are published online.
- (b) New e-procurement modules were completed: (i) complaint management, (ii) e-payment for tendering fees, (iii) the Works Contract Management Information System (CMIS), (iv) Contract Performance Management (CPM) for Goods and (v) quick users' satisfaction survey.
- (c) (i) Out of 468 JONEPS enhancement functions, 312 (66 percent) are active; (ii) 2,931 JONEPS active users were trained (617 in procuring entities and 2,314 users in registered companies); (iii) 2,995 businesses are registered and 72 percent of business are satisfied with the ease-of-use of the e-procurement system (according to a December 2021 survey), and (iv) annual procurement plans have been uploaded to JONEPS (65 percent compliance).
- (d) An average number of 480 tenders are processed through JONEPS per year.

14. As regards the JONEPS, the GPD has been continuing the activities to (i) implement the first phase of enhancement and maintenance of the system and established a help desk; (ii) complete security audits that are needed to verify the integrity of the system; (iii) develop application programming interfaces (API) for interoperability with other related systems such as the Government Financial Management Information System and online banking system; and (iv) upgrade hardware/software solution based on business process reengineering deliverables and recommendations.

15. **Currently, the major challenge is the optimization of the deployment of JONEPS to MDAs.** In 2019, the E-procurement Steering Committee validated the E-procurement Enhancement Strategy. The committee identified the existing gaps with JONEPS' system, areas required for enhancement, and the need for better institutional governance of the system. Since 2019, JONEPS has been deployed at the two central procuring entities, Government Procurement Department (GPD/MOF) and Government Tender Department (GTD/MOPWH) that procure large government contracts. Even though the use of JONEPS is not mandated at all MDAs in the public procurement by-law, 60 agencies volunteered, including to the Ministry of Education, Ministry of Health and some other entities. To facilitate MDAs' buy-in to the system, a communication strategy was developed though it has not been fully implemented. While the Procurement Policy Committee (PPC) is operational, it lacks specialized staff and has not used the JONEPS data or conducted data analytics<sup>7</sup> for the purpose of drafting procurement-related policies. The official decision mandating MDAs to use JONEPS is expected to be issued in the coming months, and it is likely that more MDAs will start adopting the system. The transition from a manual system to an IT-based system to enter data and manage procurement process requires some time. In addition, it will require business process re-engineering review, improved data security, and JONEPS interoperability with other government management information systems. Change management activities to support the MDAs' behavioral change are needed in coordination with the implementation of communication strategy.

16. **The Project faces some delays in disbursement.** As of May 2023, the disbursement was US\$4.54 million (69.8 percent), which is slower than the original plan which envisioned a disbursement rate of 80

<sup>6</sup> The Grant Agreement records the amount as US\$0.4 million.

<sup>7</sup> Data analytics will support decision making towards enhancing public procurement performance.





percent by November 2022. The Project has two designated accounts (DAs), one for MOPIC and the other one for the GPD, which causes administrative delays. Procurement in the Project has faced challenges mainly due to (i) lengthy processing including MOPIC's Special Tendering Committee (STC) required to validate all procurement transactions at successive stages, regardless of thresholds; (ii) limited experience of GPD procurement staff in the procurement of consulting services, IT systems and software and lack of knowledge of the World Bank procurement regulations; (iii) multiplicity of Project beneficiaries and stakeholders and lengthy evaluation processes by MDAs; (iv) the difficulties attracting qualified experts that will meet private sector market financial requirements; and (v) lengthy approval of deliverables resulting in significant payment delays.

17. **The Project is rated Moderately Satisfactory in implementation of Environmental and Social Safeguards.** In October 2021, the Environmental and Social Safeguards performance was downgraded to Moderately Unsatisfactory. In May 2022, it was upgraded to Moderately Satisfactory mainly because of the finalization of the Stakeholders Engagement Plan (SEP) for the original financing of the Project. In 2022, the Project had a part-time Environmental Specialist, a part time Social Specialist, and a Communications and Stakeholder Engagement Specialist as per the Environmental and Social Commitment Plan (ESCP) requirements. Since Project effectiveness, the Secretariat has steadily advanced implementation of the Stakeholder Engagement Framework (SEF), engaging the business community on relevant reforms, developing and disseminating a guidance note on stakeholder engagement for line ministries and upgrading the SEF to a full SEP that was cleared and disclosed in July 2022. The Secretariat has been involved in policy dialogue on gender related reforms through the Mashreq Gender Facility (MGF), but a more structured engagement based on a gender action plan would yield better results. Further efforts are now needed to roll out the guidance note on stakeholder engagement and build capacity amongst line ministries and the Secretariat itself, to broaden consistent engagement and iterative dialogue on reforms with other stakeholder groups including civil society. Other ESCP requirements have now been met: the Project has completed an initial environmental and social screening of regulatory reforms and updated the Labor Management Procedures (LMP) with a worker grievance mechanism for Project workers (i.e. direct workers of the Reform Secretariat). The updated LMP was cleared and disclosed in July 2022.

18. **Overall implementation progress is Moderately Satisfactory.** Despite the issues on sustainability and the negative impact of the COVID crisis on government productivity, the Reform Secretariat has been very active in coordinating with relevant MDAs on Project activities, including conducting policy dialogue with MDAs on gender, providing technical assistance to MDAs, updating the Reform Matrix and increasing its ownership in reform coordination. The Reform Secretariat is also actively involved in the preparation of legal reforms such as on investment climate and has informed cabinet decisions through the inter-ministerial Economic Development Committee. The management of the Reform Secretariat is committed to continuously build its technical expertise by hiring senior sector experts who can effectively engage with reform implementing MDAs and develop monitoring and evaluation (M&E) capacity to report on the implementation of the government economic reform agenda and its impact. The progress reports can be further improved by reporting on reform outcomes and impact and elaborating on underlying factors for delays in implementation. This would be in addition to the current listing of implemented activities.

### ***C. Rationale for AF and Restructuring***



19. **The expansion of the updated Reform Matrix led the GoJ to request AF and restructuring of the original financing of the Project.** There are three key rationales for AF and restructuring.

20. **First, effective implementation of the expanded scope of the updated Reform Matrix 2018-2024 requires the Reform Secretariat to further strengthen its institutional capacity to coordinate reforms with reform implementing MDAs and central coordination units.** The updated Reform Matrix extended the duration of the reform initiative by two years and expanded the scope of policy reforms to be undertaken. This expands the responsibility of the Secretariat and their policy coordination with reform implementing MDAs in the additional reform areas. The additional support to the Project will ensure that the Reform Secretariat will develop a central reform coordination mechanism and provide adequate technical and coordination support to MDAs and other central coordination units in various part of the government.

21. **Second, additional support to PIM & PPP and public procurement as well as other policy reforms through the RSF will ensure continuation of reform implementation until the end of the period covered under the updated Reform Matrix.** The Project has built reform momentum across the government entities. The AF will continue to support the GoJ's reform for the extended period covered under the updated Reform Matrix to ensure that (i) the Reform Secretariat continues to build its capacity to coordinate with other MDAs and monitor the progress on reform implementation, (ii) the PIM, PPP and FCU units can continue the implementation of PIM & PPP reforms by liaising with relevant entities with the support of the Reform Secretariat, and (iii) the GPD and other relevant procurement entities can continue the implementation of public procurement reforms with the support of the Reform Secretariat.

22. **Third, in addition to the AF, the Project design will be restructured, and address challenges faced under the original Project design to advance effective coordination and implementation of reforms.** The following key areas will be addressed under this AF:

- (a) increase the Reform Secretariat's technical expertise in 12 sectors under the updated Reform Matrix to engage in high level policy dialogue with reform implementing MDAs;
- (b) clearly demarcate reform coordination and project management functions within the Reform Secretariat;
- (c) develop processes to manage the use of the Reform Support Fund (RSF);
- (d) enhance the Reform Secretariat's capacity in M&E, communication and stakeholder engagement functions; and
- (e) address the issue of sustainability of the policy reforms by:
  - facilitating the dialogue between the RS, delivery units and other coordination units;
  - addressing capacity deficiencies in the different ministries for reform implementation through dispatching sector experts or organize capacity building workshop;
  - strengthening M&E to report to the Cabinet on the progress of the updated Reform Matrix.
  - organizing technical working groups with reform implementing MDAs to identify the progresses and challenges of reform implementation;
  - organizing stakeholder consultation meetings with civil society organizations, businesses and academia providing their feedback into to the Reform Secretariat's reform coordination;
  - supporting the quality assurance of reform implementation by conducting economic impact assessments or ex-ante and ex-post evaluation of reforms.



23. **The GoJ has formally requested the AF and restructuring of the Project to support the implementation of the updated Reform Matrix and AF has been approved by the Steering Committee of the Multi-Donor Trust Fund (MDTF).** The Minister of MOPIC has requested the AF and restructuring of the Project in a letter to the World Bank dated November 17, 2021 and in a subsequent letter dated October 26, 2022 with the following changes: (a) adding to the amount of US\$9.3 million, including US\$1.5 million to be earmarked to the PPP Unit and US\$2.0 million for supporting public procurement; (b) extending the Project until the end of 2024 to match the timeline of the updated Reform Matrix and aligning the scope of the Project to its extended scope; (c) streamlining the Project design by reducing components from three to two: a component to finance the Reform Secretariat and another to fund the RSF; and (d) routing all RETA activities under the MDTF through the Project.

24. **This Project Paper proposes AF, with the restructuring of the original financing of the Project design, PDO and results framework, and the extension of the Project closing date aligned with the period covered in the updated Reform Matrix.** It proposes to (a) add US\$9.30 million (which are committed by the donors to the MDTF) to the initial grant of US\$6.5 million, (b) adjust PDO and align results framework and (c) extend the Project timeline for 12 months from the current June 30, 2024 to June 30, 2025 to allow for implementation of the reforms covered under the updated Reform Matrix (the MDTF end disbursement date is December 31, 2025).

## II. DESCRIPTION OF ADDITIONAL FINANCING

### A. Proposed Changes to the Project Design

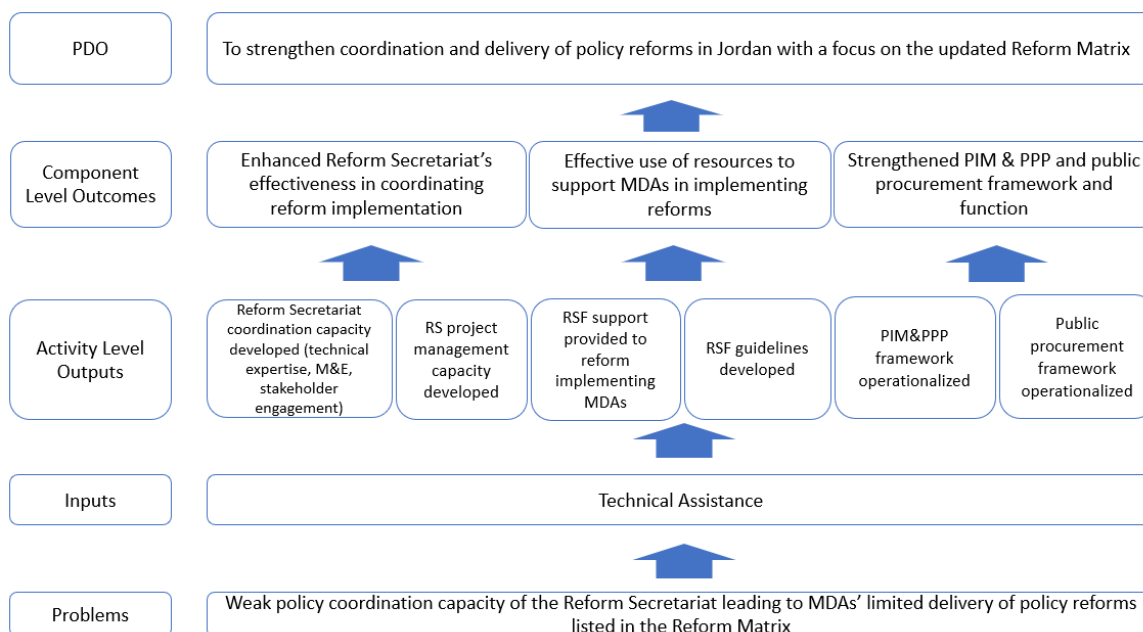
25. **The Project Development Objective (PDO) will be updated as follows:** *“to strengthen coordination and delivery of policy reforms in Jordan with a focus on the updated Reform Matrix.”*

26. **The AF support provides a clear intervention logic, which will contribute towards strengthening coordination and delivery of policy reforms.** To overcome the challenges, the AF provides various technical assistance to relevant entities to support activity level outputs. It is expected that the Project intervention will enable three component level outcomes such as enhanced Reform Secretariat’s effectiveness in coordinating reform implementation, effective use of resources to support MDAs in implementing reforms and strengthened PIM & PPP and public procurement framework and function, which will contribute to the achievement of the PDO. The theory of change is visualized in Figure 1.

27. **The Project will have three components.** Component 1 will improve reform management by the Reform Secretariat both on the reform coordination with reform implementing MDAs and project management, Component 2 will support Reform Support Fund (RSF) through the use of fund to policy reforms in the updated Reform Matrix implemented by the MDAs and developing a guiding principle for the use of fund, and Component 3 will support PIM-PPP and Public Procurement framework and function through the management of PIM & PPP reforms (sub-component 3.1) and public procurement reforms (sub-component 3.2). The remapping of the components is illustrated in Table 1. All three components will disburse against eligible expenditures upon submission of Interim unaudited Financial Reports (IFRs). Even though the Government requested to streamline the component numbers to two, it was agreed that the AF will have three components to clearly delineate three different scopes of activities: the Reform Secretariat, RSF and specific reforms in PIM&PPP and public procurement.



**Figure 1. Theory of Change**



**Table 1. Proposed remapping of Project components**

Existing Components	Proposed Components
<b>Component 1: Support to reform management (US\$3.8M)</b> Sub-component 1.1. Support to the Reform Secretariat (US\$0.5M) Sub-component 1.2. Reform Support Fund (US\$3.3M)	<b>Component 1. Enhancing Reform Management by the Reform Secretariat (Original \$0.5M+ AF 2.6 M=US\$3.1M)</b>
	<b>Component 2. Supporting reform implementing MDAs through Reform Support Fund (Original US\$3.3M + AF US\$5.2M = US\$8.5M)</b>
<b>Component 2. Strengthening the PIM-PPP framework and function (US\$2.2M)</b>	<b>Component 3. Strengthening the PIM-PPP and Public Procurement Framework and Function (Original US\$2.2M + Original US\$0.5M+ AF US\$0M + AF US\$1.5M = US\$4.2M)</b> Sub-component 3.1. Strengthening PIM & PPP management (Original US\$2.2M + AF US\$0M = US\$2.2M) Sub-component 3.2. Strengthening public procurement reform (Original US\$0.5M + AF US\$1.5M = US\$2.0M)
<b>Component 3. Strengthening of the public procurement framework and function (US\$ 0.5M)</b>	
<b>Total Amount: US\$6.5 million</b>	<b>Total Amount: US\$15.8 million (Original US\$ 6.5M + AF US\$9.3M)</b>



28. **Component 1. Enhancing Reform Management by the Reform Secretariat (US\$3.1 million).** The Reform Secretariat is the Project Management Unit (PMU) for this Project and the Secretariat staff have dual responsibilities for both day-to-day reform coordination with MDAs and management of the Project activities. This component is a continuation of activities initiated under the sub-component 1.1 of the original financing of the Project with the expanded scope. The component will finance the operating costs of the Reform Secretariat, both on reform coordination with MDAs and the operating cost required for managing the Project. In addition, the component will finance a consulting firm to manage the pool of available consultants who can be seconded to reform implementing agencies as well as data collections and reporting of the performance of policy reform implementation including the use of the Reform Support Fund (RSF).

29. **Building institutional capacity for policy dialogue.** The activity will strengthen the Reform Secretariat's institutional capacity to conduct policy dialogue with reform implementing MDAs. The Secretariat will be staffed, either full-time or part-time, with sectoral and thematic technical experts and conduct policy dialogue with reform implementing MDAs in specific reform areas such as water, agriculture, environment, energy, transport, tourism, business environment, public sector modernization and stakeholder engagement, that are relevant to reform coordination and any other areas of expertise deemed critical to allow the Secretariat to engage effectively with reform implementing MDAs under the 12 pillars of the updated Reform Matrix. In addition, the activity will support the Secretariat establish technical working groups with reform implementing MDAs for facilitating policy dialogue. Furthermore, it will support the Secretariat organize leadership and change management workshops among the cadre of senior executives and mid-level managers across the government relevant to reform implementation<sup>8</sup>, inter-agency coordination and reporting. It will also increase the capacity of the Reform Secretariat to coordinate gender and climate reform initiatives with the reform implementing MDAs.

30. **Strengthen M&E function and communication.** The activity will strengthen the Reform Secretariat's capacity to conduct M&E of policy reform implementation by liaising with the respective reform implementing MDAs. The Secretariat will mobilize M&E capacity outside the government<sup>9</sup> and advisory bodies<sup>10</sup>. The activity will support (i) developing performance indicators and data collection system to liaise with MDAs to monitor the performance of the reform implementation, (ii) developing M&E system using an IT dashboard to collect, analyze and present data, (iii) liaising with the Policy Unit of MOPIC to coordinate actions around reform impact evaluations, (iv) enhancing the Reform Secretariat capacity to produce regular progress reports to be submitted to the Cabinet. The activity will also support the Secretariat's increased communication efforts including upgrading information on MOPIC's website, drafting newsletters, developing videos to showcase reform progress, communicating to various stakeholders via social media and any other means, and liaising with MDAs and facilitating their communication activities.

31. **Stakeholder engagement on reform implementation.** The Reform Secretariat is expected to inform various stakeholders including relevant MDAs, businesses, academia and civil society organizations about the progress of reform implementation and conduct policy dialogue with them. The activity will

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<sup>8</sup> Such as training through the Institute of Public Administration and facilitation of review meetings by leadership and change experts.

<sup>9</sup> Including academia such as the Royal Scientific Society.

<sup>10</sup> such as the Economic and Social Council of Jordan.



continue to support the Reform Secretariat developing outreach and communication and organizing stakeholder engagement events.

32. **Project management.** The Reform Secretariat will undertake day-to-day management of the Project including developing annual work plans, budgets and procurement plans, carrying out procurement and manage consultants and firm contracts, holding regular meetings with reform stakeholders including MDTF Steering Committee, relevant donors and civil society organizations to inform the project implementation status, monitoring project activity implementation, collecting data for results indicators and preparing and disclosing progress reports including environmental and social safeguard implementation, managing designated accounts and prepare the project financial statements and audit report, submitting withdrawal applications to the World Bank for replenishment, and carrying out periodic performance evaluations of the Project.

33. **Component 2. Supporting reform implementing MDAs through the Reform Support Fund (US\$8.5 million).** Component 2 will continue to support the operationalization of the Reform Support Fund (RSF) that is established within the Reform Secretariat under the original financing of the Project. The RSF facilitates the Reform Secretariat to financially support and extend reform activities to MDAs for them to implement specific reforms under the 12 pillars of the updated Reform Matrix. The Reform Secretariat will use the resources in the RSF to provide technical assistance to reform implementing MDAs. The component will finance costs required for the MDAs to undertake specific policy reforms such as operational costs for training, IT equipment, goods and services, office supplies, professional and consulting services and operational travel.

34. **Providing support to Reform Implementing MDAs.** This activity is a continuation of activities initiated under sub-component 1.2 of the original financing of the Project and provides support to the Reform Secretariat undertaking technical assistance to MDAs at their requests in implementing reforms in all 12 Pillars in the updated Reform Matrix. The Reform Secretariat provide technical and coordination support to the reform implementing MDAs on their requests in the areas of support needed to implement policy reforms. The technical assistance involves secondment of technical staff to MDAs, hiring consulting services to commission assessments and developing guidelines and procedures to inform policy reforms, and procurement of IT systems and equipment. Priority reform areas supported under the RSF are proposed at the MDTF Steering Committee (see the Table 2). The Secretariat will ensure that specific amounts will be allocated to cross-cutting interventions and specific reform areas for the priority areas supported through the RSF. While priority areas are defined, these RSF resources are fungible and will allow reallocation of funds to support all 12 pillars of the Reform Matrix to optimize impact depending on the speed of each reform implemented at the MDA level. In addition, the RSF will provide support to reform coordination activities such as synergies between updated Reform Matrix, the Vision and other reform strategies.

**Table 2: Priority reform areas supported through the RSF.**

<b>Categories</b>	<b>Priority Areas</b>
Cross-cutting Intervention	Change Management
	M&E
	Stakeholder Engagement
Priority Sector Reform Areas	PIM-PPP Governance (Under Component 3)
	Public Procurement Reforms (Under Component 3)



	Investment Climate/Business Environment
	Trade Facilitation
	Tourism
	Agriculture
	Energy

35. **Strengthening RSF processes.** To strengthen the use of the RSF, the Reform Secretariat will draft a RSF guideline specifying the eligibility and selection criteria and submission procedures and a template form that will be used by reform implementing MDAs when requesting the funds from the RSF. The Secretariat will communicate these guidelines and template with MDAs and ask them to use it when submitting the request for technical assistance to the Reform Secretariat as well as reporting reform implementation status. In addition, the Reform Secretariat will undertake capacity needs assessments to predict utilization of funds<sup>11</sup> to inform its capacity building activities by mobilizing resources of the RSF in support of reform implementing MDAs. A RSF guidelines will specify a ceiling for certain amount of resources that can be allocated to any single reform implementing MDA and the process to exchange a Memorandum of Understanding (MoU) between the MOPIC and those MDAs where applicable.

36. **Component 3. Strengthening the PIM & PPP and Public Procurement Framework and Function (US\$4.2 million).** As part of the RSF, this Component specifically support the implementation of PIM & PPP and public procurement reforms under Pillar 2 by operationalizing PIM & PPP and public procurement process that were developed under the original financing of the Project. The component will support the PIM, PPP units and Fiscal Commitment Unit (FCU) in the MOF and the Procurement Policy Committee (PPC) with other public procurement stakeholders such as the Procurement Complaint Committee (PCC), GPD in the MOF, GTD at Ministry of Public Works and Housing (MOPWH), Institute of Public Administration (IPA) and Civil Service Bureau. There are two Sub-components. Sub-component 3.1 will support activities related to operationalizing the PIM-PPP framework and function, and Sub-component 3.2 will support activities operationalizing the public procurement framework and function.

37. **Sub-component 3.1. Strengthening PIM & PPP Management (US\$2.2 million).** The sub-component will continue to support the implementation of the PIM and PPP framework developed under the original financing of the Project component 2 and 3.

**PIM Management**

38. **Building institutional capacity for PIM management.** The activity will continue to build the capacity of the PIM unit at MOPIC further through staffing, consulting and other services and IT developments. It will help the PIM unit building capacity to review capital projects before their budgeting at project concept note and appraisal stages (all project above JOD 10 million are to be reviewed at this stage in compliance with the PPP law and bylaws), provide technical assistance to project sponsors to improve their submissions and comply with the guidelines issued by the GoJ both on project concept note templates and project appraisal methodology including environmental and social risks and impacts. It will also build their capacity to focus particularly on mega-projects under preparation to ensure their adequate preparation and help build capacity of projects sponsors for their implementation. In addition, the activity will support the strengthening of capacity of project sponsors for the management of large, including, mega projects. There is no systematic completion review and ex-post evaluation of finished projects in

<sup>11</sup> such as through the King Abdullah Centre of Excellence, think tanks, or consulting firms.



Jordan. This activity will support Jordan, through the PIM Unit, in establishing a systematic ex-post evaluation to facilitate portfolio analysis and learning. Project completion reports should be required for all projects, and more systematic ex-post evaluation will facilitate portfolio analysis and learning.

39. Furthermore, the activity will help the PIM unit enforce the government commitment to “Engaging local communities and stakeholders throughout the different stages of governmental capital and investment projects to support the alignment and responsiveness of these projects to community needs and to improve the level of public services” under the 5<sup>th</sup> National Action Plan on Open Government.

### **PPP Management**

40. **Building institutional capacity for PPP management.** The activity will continue to build the capacity of the PPP unit, which was recently transferred to the Ministry of Investment to effectively exercise its mandate. It will specifically finance additional project management staffing, specialized sector expertise (transport, energy, water, urban etc.), cross-cutting expertise (project finance, legal, communications and outreach etc.), operating costs, IT (equipment, project database and website management) and capacity building or specialized training to ensure that it effectively provide its oversight and regulatory responsibility as prescribed in the PPP law. The PPP unit has a mandate and will coordinate and facilitate the preparation and closure of PPP transactions by providing expertise and hands-on support to MDAs in improving their PPP proposals, preparing them for tendering, and supervising the process. It also provides technical support to the High Committee on PPPs at key decision points during project life cycle. The activity will support the PPP unit to promote PPP best practices by building capacity among MDAs for the preparation and implementation of PPPs – as the success of the PPP unit depends on the stronger capacity of MDAs and their project specific steering or project committees. Capacity building and training will be targeted and based on the nature of the emerging project pipeline. All this is in line with the findings and recommendations of the recently conducted InfraGOV assessment<sup>12</sup>.

41. In addition, this activity will support setting up nodal PPP Units in ministries with the biggest pipeline of PPP projects – including the Ministry of Transport, the Ministry of Public Works and Housing, and the Ministry of Water Resources. The units will be provided with experts in PPPs in these sectors to help the respective ministries in preparing PPP proposals, tendering, and supervision. The scope and governance of the Project Development Account (PDA) would also be expanded and strengthened to

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<sup>12</sup> The InfraGov assessment undertaken in June-July of 2022 identified that the regulatory environment for infrastructure governance in Jordan has a mostly solid foundation, however with the following challenges: (i) Many line ministries lack project preparation capacity and the central PIM Unit has not been able to effectively ensure good project preparation as it is still building up its own capacity; (ii) Contract management and capital maintenance is poor, with insufficient budget allocation given to address costs across the lifecycle of the asset; (iii) The implementation of public investment projects is often delayed, due to old design standards being used, poor planning, a lack of public consultation, weak cash management; (iv) For PPPs, there is a lack of capacity in the PPP Unit, amongst the line ministries, coordination is patchy, and as a consequence the pipeline quality is uneven; (v) Some large key projects are not subject to the ordinary PPP rules, and questions have been raised as to how well they have been prepared, procured, and whether the risks are appropriately managed. (vi) There is a lack of active oversight of budget execution, resulting in unpredictability of revenue flows on a monthly basis, along with cash rationing.





include upstream specialized support to the line ministries to draft project concept notes necessary to get projects registered in the NRIP, as well as technical support to manage PPP contracts post commercial close.

42. Furthermore, the activity will build the capacity of the MOF in assessing PPP-related fiscal commitments and contingent liabilities and enforcing adequate fiscal risk management by providing specialized expertise and training the staff assigned to TCFC and Fiscal Commitment Unit (FCU) in MOF. The activity will support developing the process for the FCU review PPP projects registered in NRIP prior to budgeting. Finally, the activity will support the review of the PPP legal framework, and suggest amendments where necessary, to streamline the project life cycle and improve governance of the PPP 'ecosystem'.

43. **Sub-component 3.2. Strengthening Public Procurement Reforms (US\$ 2.0 million).** The sub-component will continue to support the implementation of public procurement reforms including enhancement and deployment of e-procurement.

44. **The sub-component will support the activities related to the implementation of the Public Procurement Reform roadmap adopted by the Procurement Policy Committee (PPC).** The roadmap is implemented by the PPC and Procurement Complaint Committee (PCC) both supported by technical units, the Government Procurement Department (GPD) of the MOF, the Government Tender Department (GTD) of the Ministry of Public Works and Housing (MOPWH), the Institute of Public Administration (IPA), the Civil Service Bureau (CSB) among others. The activities will support drafting public procurement policies to include (a) small medium and micro enterprise (SMMEs) access to public procurement (with a focus on access by SMMEs owned or managed by women), (b) green procurement, and (c) a professionalization framework and certification for procurement staff. The activities will also include exploration of higher education that can introduce public procurement in university-level curriculum at least in one university. It will also support implementation of a communication strategy will help gain more buy-in and change management activities to reduce resistance. It will also provide specialized procurement training to practitioners.

45. **In addition, the sub-component will support further operationalization of the JONEPS, an e-procurement platform.** It will support the implementation of the second phase of its enhancement and maintenance, including its interoperability with other relevant government IT systems. Change management activities will be developed to ensure a larger support for JONEPS from non-participating institutions by mobilizing stakeholders, providing information, technical training and other support identified.

46. **The results framework will be adjusted to better measure the progress towards achievement of the PDO as well as redefine intermediate and end target values.** Since many of the PDO and intermediate indicators' end target values were achieved under the original financing of the Project, new PDO and intermediate indicators were added to measure the progress to be made during the additional months of Project implementation. The proposed changes will provide clarity in the results framework and strengthen the M&E system managed by the PMU. [Table 3](#) below highlights the proposed changes to result indicators (See details in Section VIII on the Result Framework and Monitoring).



**Table 3. Summary of Adjustments to Result Indicators**

Component	Results Indicators		
PDO Results Indicators			
	Original	Adjusted Indicators	Description of Change
	<ul style="list-style-type: none"> <li>Number of additional reforms coordinated by the Reform Secretariat under the Reform Matrix (Achieved)</li> <li>Sub-indicator: Out of which number of additional implemented reforms that predominantly benefit women (Achieved)</li> <li>Share of investment projects approved by GoJ that are registered in the NRIP (Not Achieved)</li> <li>Share of investment projects approved by GoJ that use the PIM-PPP project evaluation framework (Not Achieved)</li> </ul>	<ul style="list-style-type: none"> <li>Number of policy reforms in 12 Pillars of the updated Reform Matrix completed by MDAs with the support of the Reform Secretariat (Revised)</li> <li>Sub-indicator: Of which number of policy reforms that benefit women (Revised)</li> <li>Number of policy reforms that integrated stakeholders including citizens, business, academia feedback through stakeholder consultations organized by MDAs in partnership with the Reform Secretariat (New)</li> <li>Percentage of new public investment projects registered in NRIP that were included in the budget as described in PIM legal and policy framework (Revised)</li> <li>Adoption of sustainable procurement policy on green procurement and/or SME including women-led SME (New)</li> </ul>	<p>Two indicators were fully achieved</p> <p>Updated the language on the indicator to measure the progress of the implementation of specific reforms in the updated Reform Matrix (including reforms that benefit women)</p> <p>Added an indicator to measure the feedback loop of stakeholder consultations including with citizen, businesses and academics on the reforms</p> <p>Revised the indicator on PIM to measure the PIM operationalization based on the framework that was developed under the original financing of the Project</p> <p>Added an indicator on the procurement policy reform related to SME and women-led SME</p>
Intermediate Results Indicators			
1. Enhancing reform management by Reform Secretariat	<ul style="list-style-type: none"> <li>The Reform Secretariat is established at MOPIC and staffed with at least 10 team members (Achieved)</li> </ul>	<ul style="list-style-type: none"> <li>The Reform Secretariat is established at MOPIC and staffed with at least 10 team members (Achieved)</li> <li>Number of policy briefs filed by the Reform Secretariat to cabinet on policy reform implementation (New)</li> <li>Number of technical working groups which include reform implementing MDAs operationalized by Reform Secretariat (New)</li> </ul>	<p>Four indicators that were fully achieved.</p> <p>Added a new indicator to measure the Reform Secretariat function on the policy advice it provides to the Cabinet</p> <p>Added an indicator to measure the Reform Secretariat's coordination role in facilitating inter-agency dialogue with MDAs through technical working groups.</p>



			Continue to measure the Reform Secretariat functioning by measuring the number of staff.
2. Supporting Reform Implementing MDAs through RSF	<ul style="list-style-type: none"> <li>• Number of Ministries or Agencies supported by the Reform Support Fund (Achieved)</li> <li>• Number of additional consultations the 9 pillars of the five-year Reform Matrix (Achieved)</li> <li>• Percentage of training participants from implementing agencies who indicate satisfaction RS's training sessions (Achieved)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of MDAs supported by the Reform Support Fund (Revised)</li> <li>• Number of stakeholder engagement consultations organized by MDAs that involved stakeholders including civil society, businesses and academia with support from the Reform Secretariat (New)</li> <li>• Percentage of the RSF disbursed to priority reform areas (New)</li> </ul>	<p>Revised the language on the indicator to measure the number of MDAs the RSF was extended</p> <p>Added a new indicator to measure the use of RSF aligned to the priority reform areas</p> <p>Added a new indicator to measure the Reform Secretariat support to MDAs in organizing citizen/business engagement.</p>
3. Strengthening the PIM-PPP and public procurement framework and function	<p><u>PIM&amp;PPP</u></p> <ul style="list-style-type: none"> <li>• Number of trained and certified GoJ staff in core PIM-PPP functions (Achieved)</li> <li>• The National Registry of Investment Projects (NRIP) acquired and operationalized (Achieved)</li> <li>• Fiscal risk assessment guidelines issued by the Ministry of Finance (Achieved)</li> <li>• Revised PPP Guidelines produced and approved (Achieved)</li> <li>• Standardized project concept notes templates for public investment projects and PPP projects produced (Achieved)</li> <li>• Project development fund (PDF) established and operationalized (Achieved)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of government officials trained in PIM-PPP (Revised)</li> <li>• Number of officials certified in PPP framework (New)</li> <li>• A pipeline plan for PPP projects developed (New)</li> <li>• The National Registry of Investment Projects (NRIP) acquired and operationalized (Achieved)</li> <li>• Fiscal risk assessment guidelines issued by the Ministry of Finance (Achieved)</li> <li>• Revised PPP Guidelines produced and approved (Achieved)</li> <li>• Standardized project concept notes templates for public investment projects and PPP projects produced (Achieved)</li> <li>• Project development fund (PDF) established and operationalized (Achieved)</li> </ul>	<p>Six indicators are fully achieved.</p> <p>Revised the indicator to measure the capacity development of officials in PIM-PPP</p> <p>Added new indicators to measure the development of PPP framework (a pipeline plan) and certification of PPP</p> <p>Continue to monitor the operationalization of NRIP</p> <p>Added achieved indicators on PIM-PPP to record reforms related to developing PIM-PPP process</p>



	<p><u>Public Procurement</u></p> <ul style="list-style-type: none"> <li>• Number of businesses registered, and users trained in JONEPS (Partially achieved)</li> <li>• Share of public procurement contract award results published online in comparison of all the government awarded contracts (Achieved)</li> <li>• Two new e- procurement modules added in one year (Achieved)</li> <li>• Percentage of business satisfied with the ease-of-use of the e- procurement processes. (Achieved)</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of government MDAs using JONEPS for processing procurement (New)</li> <li>• Adoption of the professionalization framework by the Procurement Policy Committee (New)</li> <li>• Number of businesses registered in JONEPS (Revised)</li> <li>• Share of public procurement contract award results published online in comparison of all the government awarded contracts (Achieved)</li> <li>• Two new e- procurement modules added in one year (Achieved)</li> </ul>	<p>Three indicators were fully achieved.</p> <p>Added a new indicator to measure the adoption of the JONEPS across government MDAs.</p> <p>Added an indicator to measure the adoption of policy framework on professionalization</p> <p>Continue to monitor the existing indicator on business registration</p> <p>Added achieved indicators on publishing public procurement contract and e-procurement modules</p>
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47. **Direct beneficiaries of the Project will continue to be the GoJ, but more attention will be paid to reform beneficiaries such as citizens and the private sector.** The Project continues to benefit primarily Jordan’s government entities through Reform Secretariat’s improved reform design, coordination, implementation, monitoring and evaluation capacity, as well as entities involved in PIM & PPP and public procurement reforms and indirectly citizens and the private sector. In the original financing of the Project, the Reform Secretariat has reached out to government entities when coordinating reform implementation and less so to the business community and hardly to the civil society and academia. Under this AF, the Project will support developing a structured consultation process to include more systematically civil society organizations, business organizations and academia in accordance with the Stakeholder Engagement Plan (SEP). Conducting reform impact evaluations will contribute to improve their social, including gender-related, and environmental benefits and stakeholder participation to both decision making and implementation process including through e-participation<sup>13</sup>.

**B. Project Cost and Financing**

48. **The Project finances the Reform Secretariat and supports the design, coordination and implementation cost of implementing selected policy reforms in specific sectors (Table 2) as per the updated Reform Matrix.** Through the Reform Secretariat, the Project will finance activities in PPP, PIM

<sup>13</sup> By implementing the government e-participation policy (adopted as part of the 5<sup>th</sup> National Action Plan on Open government.



units, FCU, the PPC, GPD, GTD and other public stakeholders. It will also finance activities in reform implementing MDAs as well as central coordination units through the Reform Support Fund such as Policy unit, the PMDU (including in its M&E function for the implementation of the government reform agenda), the KACE and IPA (including for institutional capacity needs assessments). The allocation of grant proceeds is detailed in Table 4 below. The existing Designated Account (DA) in the MoPIC will be used for the AF. There will be only one DA held at the MOPIC as the RS will be the sole implementing entity under the Project going forward. The underlying Project expenditure is financed by grant funded by the Jordan Inclusive Growth and Economic Opportunities MDTF (P167769, TF073270).

49. **There will be one Category for all the components.** The original financing of the Project allocated US\$6,100,000 under expenditure Category 1 and US\$400,000 under Category 2 in the Grant Agreement<sup>14</sup>. This AF will add US\$9,300,000 with the total of US\$15,800,000 of which US\$3,100,000 for Component 1, US\$8,500,000 for Component 2, and US\$4,200,000 for Component 3 (Table 4). All Components will be under the same category to allow for the fungibility of the expenditure.

**Table 4. Financial allocation for the AF**

AF Component	Amount	Category
Component 1	US\$ 3.1 million	One Category
Component 2	US\$ 8.5 million	
Component 3	US\$ 4.2 million	
Total	US\$ 15.8 million	

**C. Institutional and Implementation Arrangements**

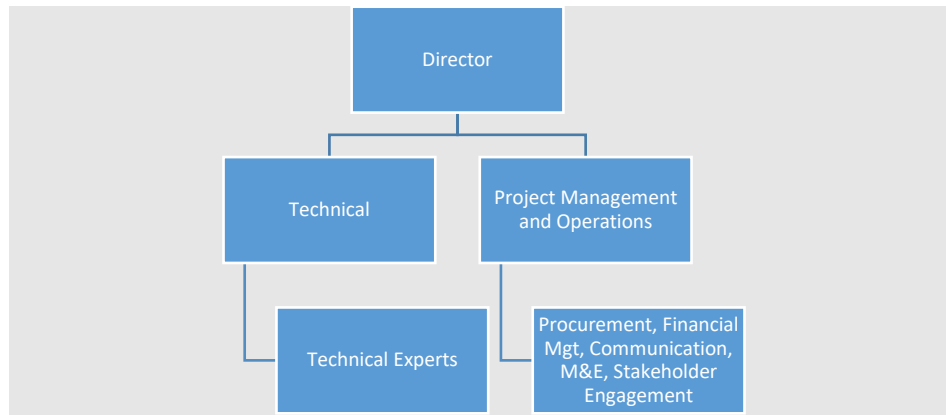
50. **This AF involves restructuring that introduces changes to the existing implementation arrangement to strengthen its effectiveness.**

- (a) First, all the PMU function will be consolidated in the Reform Secretariat, and it will be the sole implementing agency responsible for managing all the Project funds with one designated account, and overall coordination of planning, implementation, monitoring and results of the Project, including the activities that was previously managed by the GPD.
- (b) Second, the Reform Secretariat will be reorganized to delineate clearly their two main functions, (i) high level policy dialogue; and (ii) operations management (see Figure 2). These two functions are interrelated and exercised under the leadership of a Director of the Reform Secretariat who ensures adequate coordination between the team members.
- (c) Third, the activities between the coordination with the reform implementing MDAs and the management of the World Bank-financed projects are segregated under Component 1. Accordingly, the Reform Secretariat’s organogram is revised as follows:

<sup>14</sup> The amount for Categories were amended as Category 1 US\$15,267,000, Category 2 US\$533,000 in the amendment to the Grant Agreement in the Additional Financing to allow for the expenditure incurred.



Figure 2: Proposed revised Reform Secretariat functional structure.



51. **The Reform Secretariat will be the single PMU responsible for the management of this Project.**

Its main functions include: (a) compiling work plans, budgets and procurement plans submitted by reform implementing agencies; (b) submitting consolidated annual work plans, and budget and procurement plans for the review and endorsement by the MOPIC; (c) providing logistical support and implementing Project activities; (d) processing procurement and managing contracts of individual consultants, consulting firms and suppliers through the use of the World Bank’s online System for Tracking Exchanges in Procurement (STEP) and managing their performance; (e) holding meeting with reform stakeholders to ensure appropriate linkage in the activities under the Project components; (f) monitoring Project implementation, collecting data for results indicators and preparing and disclosing semi-annual progress reports and communicate the reform implementation progress; (g) maintaining Project accounts, managing the designated accounts and preparing the Project financial statements; (h) submitting withdrawal applications to the World Bank for replenishment; (i) coordinating with reform stakeholders and facilitating for that purpose public-private dialogue as well as public consultations for good regulatory reform governance; (j) conducting communication and outreach to relevant stakeholders on the reform implementation, and (k) carrying out periodic performance evaluations of the Project.

52. **The proposed institutional arrangement will ensure sustainability of reforms and strengthen agency coordination and M&E for the reform implementation.**

While the Reform Secretariat and/or central reform coordination mechanisms in the government such as delivery units and strategic offices can be considered as an interim arrangement, these reform coordination and strategic offices continue to exist in one form or another in different parts of the government, including at the reform implementing MDAs. The Project will support the coordination mechanism that can (a) influence government decision-making through developing policy briefs to the Cabinet, (b) extending capacity building of reform implementing agencies through technical assistance, and (c) creating policy dialogue mechanisms by organizing stakeholder engagement sessions with the business community and civil society organizations. In addition, the Project will support specific reforms in PIM, PPP, and public procurement which the institutionalization of processes at Ministry of Investment, MOF, in coordination with Reform Secretariat will be critical for creating reform momentum for reform to build such institutional processes. These areas will be key to ensure government ownership in leading the reform implementation over the medium to long term. In addition, the long-term sustainability of reforms beyond the Project and the associated gains is expected to be secure as a result of strong GoJ commitment and the institutionalization of reforms,



combined with a gradual transfer of knowledge in the World Bank technical assistance supporting the activities.

**D. Relationship to the CPF and the Rationale for the Use of Instrument**

53. **The proposed AF is aligned with the World Bank Group Country Partnership Framework (CPF) for Jordan for the period of FY2017–2022 and the continued discussion for the strategic areas in the next CPF.** This AF directly supports the CPF on “Improved institutional and regulatory environment for private and public investments (Objective 1.2)” as well as cross-cutting themes of “governance” and “gender” through the implementation of policy reforms coordinated by the Reform Secretariat in the MOPI. The 2021 Performance and Learning Review of the CPF<sup>15</sup> noted that while the GoJ made progress in designing and advancing a series of reform efforts through the Reform Secretariat, however, implementation and capacity challenges exist in delivering results. It emphasized the need to prioritize and focus on a short list of transformative reforms that would have the most significant impact, enhance public awareness and ownership of reforms, improved M&E, and a strengthened role for civil society and the private sector in the broader public engagement on reforms. This AF will address these areas through strengthening the capacity of the Reform Secretariat to coordinate reforms. In addition, this AF complements the implementation of large World Bank operations such as Jordan Inclusive, Transparent and Climate Responsive Investments PforR (P175662) that supports disbursement linked indicators of public investment and regulatory framework while this AF provides capacity building activities to those areas, in addition to the Reform Secretariat performing the PMU for this PforR. Furthermore, the AF has synergies with the Economic Opportunities for Jordanians and Syrian Refugees Program for Results (PforR) (P159522) in the areas of job creation, investment promotion and expansion of private sector, and trade facilitation.

54. **This AF is also consistent with the World Bank MENA regional strategy.** This AF supports advancement of GoJ’s policy reforms that are implemented across 12 pillars in the updated Reform Matrix. The Project activities are fully aligned with objectives of the MENA strategy for the pillar *Renewing social contract and building trust, supporting jobs and citizen engagement*. This AF will “restore trust” through increasing transparency of policy reform implementation and communicating its progress, “support jobs and transformation” through creating business environment for private sector, including SMEs and digitizing administrative processes, “increase citizen engagement” through communication and stakeholder engagement in the reform process and “advance gender equity” through focusing on economic reforms that removes barriers to women’s involvement. It also contributes to the World Bank engagement on climate agenda in the region.

### III. KEY RISKS

55. **Institutional capacity for implementation and sustainability risk is changed from Substantial to High.** This is mainly because the implementation arrangements for the reform implementation are complex and span several agencies. The Reform Secretariat, as a PMU for the Project, is serving as a PMU

<sup>15</sup> Performance and Learning Review of the Country Partnership Framework for Hashemite Kingdom of Jordan for the Period FY17-FY22.



for multiple World Bank projects and is involved with other donors' engagement in reform implementation. Inter-agency coordination can be a challenge. In addition, the Reform Secretariat's M&E arrangements are evolving, and their oversight mechanisms need to be improved. The risk will be mitigated by integrating the activities that can sustain the reform coordination into the design of the Project such as (a) providing capacity building to the Reform Secretariat that build the process for inter-agency coordination, (b) measuring impact of reform coordination to reform implementing MDAs provided by the Reform Secretariat, and (c) providing direct support to the PIM & PPP and public procurement for advancing their reforms. During the implementation, the World Bank task team will liaise with the MDTF donors and will continue to engage with the MOPIC and MOF about the integration of the reform coordination functions within a MOPIC and/or any other government mechanism. In addition, it will be mitigated by complementary Bank-Executed Trust Fund (BETF) financed by the Jordan Inclusive Growth and Economic Opportunities MDTF and other donor-executed technical assistance on Reform Matrix pillars, especially on (a) M&E (secondment of a senior M&E expert by development partners) and (b) gender (secondment of a gender expert by development partners).

56. **Fiduciary risk was increased from Moderate to Substantial.** While the risk for FM is rated Moderate, procurement is assessed to be **Substantial**. The implementing agency (MOPIC) has, through the implementation of the original financing of the Project and other Bank projects, gained experience and knowledge on World Bank projects and guidelines. The last ISR of the original financing of the Project performed in February 2023 rated FM performance as Satisfactory. The FM risk will be mitigated through the Project specific mitigating measures and adequate FM arrangements that will be replicated from the original financing of the Project, resulting in a residual FM risk of **Moderate**. As for the procurement, performance needs enhancement. Though the Project activities are of a simple nature, delays were observed for different reasons, putting the Project objective at risk. The risk rating is thus increased from Moderate to **Substantial**. The risk will be mitigated through enhancing coordination and efficiency of procurement cycle from needs assessment and planning to acceptance of deliverables. The team will continue to engage in a dialogue that was initiated in 2022 with the Reform Secretariat, MOPIC management and other procuring entities.

57. **Other risks identified in the original financing of the Project and the mitigation measures being implemented remain relevant and unchanged, and the SORT ratings from the latest ISR continue to apply.** Macroeconomic risk continues to be **high**. The risks remain **substantial** for political and governance, technical design of the Project and stakeholders, while risks related to sector strategies and policies, environment and social will continue to be **moderate**.

## IV. APPRAISAL SUMMARY

### A. Technical and Economic Analysis

58. **The technical, economic and financial analyses are consistent with that of the original financing of the Project.** This Project supports the implementation of the updated Reform Matrix, as updated until end of 2024. The updated Reform Matrix supports the objectives of the Vision on growth and job creation, including public and private investment to be mobilized for its achievement, sustainability of reforms and quality of life including through improvements to service delivery. The value added of the Project rests





not only in the financing of an inter-agency coordination mechanism to implement economic reforms but in its support to the M&E for the implementation of the reforms. The Project will also leverage private sector finance, expertise, solutions through PPP & PIM reforms and efficient public e-procurement for business in Jordan aligned with the World Bank Group's Maximizing Finance for Development (MFD) approach.

59. **This Project will seek to contribute to economic growth and poverty reduction in Jordan.** This Project will contribute to the achievements of goals set out in the Vision, including an increase in real GDP from JOD 30.2 billion to JOD 58.1 billion, which represents an increase of JOD 27.9 billion and a growth of 5.6 percent per annum; an increase in employment opportunities for Jordanians from 1.6 million jobs to 2.6 million jobs by 2033, which reflects a 4.2 percent growth per year<sup>16</sup>. Moreover, the Project will seek to contribute to doubling the percentage of Jordanians satisfied with their quality of life to reach 80 percent<sup>17</sup>. These developments will involve, a stronger macroeconomic and fiscal framework, a better public investment management, better reform coordination, as well as a better business environment and reduced cost of doing business, an increased business creation rate, increase experts and more economic and empowerment opportunities for women.

## **B. Financial Management**

60. **In line with the guidelines as stated in the Financial Management Practices Manual issued by the Financial Management Sector Board effective on March 1, 2010, a financial management (FM) assessment was conducted for the original financing of the Project.** The performance of the FM arrangements of the original financing of the Project has been rated Satisfactory throughout the life of the Project. The same FM arrangements will be replicated for the proposed AF. The FM assessment of the Reform Secretariat and MOPIC, which were carried out during the original financing of the Project, are deemed adequate for AF. The assessment evaluated the institutional capacity of RS and MOPIC, to implement the FM and disbursement arrangements under World Bank guidelines and found it to be Satisfactory.

61. **The existing FM and disbursement arrangements for the original financing of the Project will continue to be applied to the AF, with one change.** The FM and disbursement functions of the GPD will move to the Reform Secretariat, therefore the Reform Secretariat will be the sole counterpart in charge of the FM and disbursement responsibilities of the Project and AF and therefore, will only use one Designate Account (DA) opened by MOPIC at the Central Bank of Jordan. DA for the GPD will be closed after full disbursement of the account.

62. **Fiduciary reporting requirements will be replicated from the original financing of the Project.** The Reform Secretariat will ensure that an adequate computerized financial system is in place and employs a qualified full-time Finance Officer at RS. Semi-annual IFRs will continue to be submitted using excel sheets, in a timely manner. The financial statements of the Project will continue to be audited by the Audit Bureau of Jordan. The audit period will be extended to cover the new closing date of the Project which is June 30, 2025. The Bank team will follow up with the Reform Secretariat and MOPIC team to ensure audited financial statements are submitted on time.

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<sup>16</sup> Economic Modernization Vision

<sup>17</sup> Economic Modernization Vision



63. **AF will continue utilizing the same disbursement arrangements and guidelines as stipulated in the original financing of the Project Disbursement and Financial Information Letter (DFIL)**, in accordance with the World Bank's disbursements guidelines, except for having one Designated Account by Reform Secretariat instead of two (RS and GPD). AF will continue using "transaction-based disbursement" with requests for payments from the Grant will be initiated using Withdrawal Applications (WAs) either for advances, direct payments, reimbursements, or replenishments to the DA. All WAs will include appropriate supporting documentation, including detailed Statement of Expenditures (SOEs) for reimbursements and replenishments to the DA. Other disbursement arrangements including using WAs and E-disbursement will be replicated from the original financing of the Project and AF.

64. **Other Financial Management and Disbursement arrangements will be the same as the arrangements applicable under the original financing of the Project.**

### C. Project Procurement

65. **The proposed AF that involves restructuring will use the same implementation arrangements as the original financing of the Project except for the fact that the GPD will no longer be an implementing agency.** All other arrangements related to Procurement will remain unchanged, except that the Reform Secretariat will be responsible for all the procurement transactions for the Project with the technical support of the GPD. The Project Procurement Strategy for Development (PPSD) has been prepared for the original financing of the Project following the new World Bank Procurement Regulation for IPF. The Project will continue using the new regulations, and all goods and consulting services required for the Project and to be financed out of the proceeds of the proposed Additional Financing of the Grant shall be procured in accordance with the requirements set forth or referred to in the "World Bank Procurement Regulations for Borrowers under Investment Project Financing dated November 2020, and the 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, updated January 2011 and July 1, 2016, and the provisions of the Recipient's procurement plan for the Project ("Procurement Plan") , which will be updated under the AF, the Project Procurement Plan may be updated from time to time in agreement with the World Bank. For that purpose, the Project shall be mandated to use the Systematic Tracking of Exchanges of Procurement (STEP).

66. **Procurement has faced challenges** mainly due to (i) a long process for new contracts; (ii) limited experience of GPD in the procurement of consulting services, IT systems and software and the knowledge of WB Procurement Regulations; (iii) multiplicity of Project beneficiaries and stakeholders; (iv) difficulties in attracting qualified experts who meet private sector market financial requirements; (v) a long approval process of deliverables resulting in significant payment delays; and (vi) not-streamlined procurement decision making within the government.

67. **To reduce observed procedural delays and accelerate selection, and award of contracts, the following steps are recommended regarding Project procurement processes:**

- (a) To reduce the time for nomination of representatives to the evaluation committee, the STC request to the beneficiary ministry to nominate its representative will be sent at the time of the



publication of the Request for Expression of Interest (REOI) rather than after receipt of Expressions of Interest, and the beneficiary ministry be mandated to finalize this nomination within 2-3 weeks.

- (b) To control the evaluation period, the Project may consider specifying a business standard (benchmark) for the evaluation period to be adhered to by different evaluation committees. It could be e.g. around 15- 30 days depending on the estimated value and number of Expression of Interests (EOIs) received. The beneficiary ministries would need to make the technical members available to the extent necessary, for evaluation within this time frame.
- (c) Hiring procurement assistant to help the current procurement Specialist to cater to increase of workload and enhancement of features in STEP covering “contract management” that would further increase the workload.

**D. Legal Operational Policies**

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

**E. Environmental and Social**

68. **As with the original financing of the Project, the environmental and social risk rating associated with AF is considered moderate.** The Project will continue to finance the salaries, consulting services, and operating costs of the Reform Secretariat to coordinate and implement the Reform Matrix under Component 1 as well as the Vision. Component 2 will support the Reform Support Fund (RSF) managed by the RS, and aimed at providing technical assistance to MDAs on request, across the pillars of the RM. To date the fund has been predominantly used to hire expert consultants that have been seconded to line ministries to support informed policy dialogue on reforms. The fund may also support commissioning of legal reviews and other assessments to inform reform implementation, procurement of IT systems and so on. The Project will not finance any civil works and will not involve any land acquisitions.

69. **The main environmental and social risks are related to indirect environmental and social implications of reforms stemming from the Reform Matrix, led by respective line ministries.** The reforms vary widely in nature across the 12 pillars of the updated Reform Matrix, from debt management to competition law to digital economy to climate responsive investments and governance systems, agricultural licensing and labor market reforms, reforms in the transport, energy, water, and tourism sectors. Many of these reforms have already been strategically informed by the World Bank through the Development Policy Loans (DPL) and other donors are also providing technical assistance in many of the reform areas. The Reform Secretariat will have a qualified Senior Environmental and Social Expert(s) to screen reforms for environmental and social implications, and inform policy dialogue and initiate studies, based on the screening results. The Reform Secretariat will also maintain one qualified Stakeholder Engagement Expert to ensure implementation of the Stakeholder Engagement Plan (SEP). Where the Project directly funds technical studies, the social and environmental aspects will be incorporated through various measures, into the Terms of Reference for studies, or through a strategic environmental and social



assessment as required, or other appropriate environment and social instruments as determined by the scoping of individual activity, and stakeholder engagement opportunities provided on these issues.

70. **The updated Stakeholder Engagement Plan was disclosed on February 10, 2023.** The SEP defines a technically and culturally appropriate approach to consultation and disclosure within reform processes. The goal of the SEP is to improve and facilitate decision making and create an atmosphere of understanding that actively involves Reform-affected people and other stakeholders in a timely manner, and that these groups are provided sufficient opportunity to voice their opinions and concerns that may influence decisions. The SEP is a useful tool for managing stakeholder engagement and communications between MOPIC and its direct stakeholders (including line agencies and donors). The SEP also describes the Project’s grievance mechanism. The AF will finance the implementation of the SEP.

71. **Component 3 supports capacity building for the PIM and PPP units of the government, in the form of salaries, operating costs and consulting services to enhance the implementation of the PIM-PPP Framework.** The role of the PIM & PPP units is to provide a “gate keeper” function in the PPP and PIM lifecycles respectively, i.e. the screening and reviewing of proposed public investments and public-private partnership projects for their economic and technical feasibility. The projects themselves are proposed and eventually implemented by MDAs for public and PPP projects respectively. There are no projects, civil works, land acquisition or major studies such as feasibility studies or environmental and social impact assessments, financed by the Project. Indirectly, the downstream projects facilitated by the PPP & PIM units have potential adverse environmental and social risks and impacts such as economic and social impacts caused by land acquisition, loss of access to natural resources, impacts to climate and GHG emissions, risks of pollution during construction and operation, risks associated with project labor, community and worker safety and health risks; and risks related to adequacy of consultation and disclosure processes. All of these risks may be disproportionately experienced by vulnerable and marginalized groups. The PPP and PIM processes have already been informed by environmental and social considerations consistent with the World Bank PforR Core Principles through the PforR PAP actions and DLI verification protocols namely: concept and appraisal methodologies include and strengthen environmental and social aspects including risk mitigation strategies for land acquisition, health and safety, public consultation and information disclosure; the Verification Protocol confirms that the appraisal methodology has been applied by PPP & PIM unit. The Reform Secretariat’s Environmental and Social Expert will also have a role to provide capacity building to PPP & PIM unit and other MDAs on E&S aspects of private and public investment projects. These requirements will also be referenced in the updated Project Operation Manual (POM) and ESCP. The updated ESCP will apply to both the original financing of the Project activities and activities financed under the AF.

72. **The Environmental and Social Commitment Plan (ESCP) was disclosed on May 20, 2023.** The LMP has been finalized and disclosed for the original financing of the Project. It has been prepared by following relevant provisions of local laws and consistent with Environmental and Social Standards (ESS) 2 and covers the assignment and recruitment of all staff and consultants hired under the Project. It will be updated and redisclosed no later than three months from the Project effectiveness.

73. **The Reform Secretariat will prepare a gender action plan stemming from the Reform Matrix pillars and activities to address barriers identified through the Mashreq Gender Facility** (including in entrepreneurship, care sector, financial inclusion, and workplace safety) through reforms such as:



facilitate licensing of Home-Based Businesses, Operationalizing a Grievance Redress Mechanism (GRM) for sexual harassment, digital wage payments, incentivize employers and SSC to support home-based nurseries, etc.

## V. WORLD BANK GRIEVANCE REDRESS

**68. *Grievance Redress.*** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.



**VI SUMMARY TABLE OF CHANGES**

	Changed	Not Changed
Project's Development Objectives	✓	
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Disbursements Arrangements	✓	
Legal Covenants	✓	
Implementing Agency		✓
Cancellations Proposed		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓

**VII DETAILED CHANGE(S)**

**PROJECT DEVELOPMENT OBJECTIVE**

**Current PDO**

Strengthen coordination and delivery of policy reforms in Jordan with a focus on the Five-Year Reform Agenda

**Proposed New PDO**

To strengthen coordination and delivery of policy reforms in Jordan with a focus on the updated Reform Matrix

**COMPONENTS**

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
1. Support to reform management	3.80	Revised	1. Enhancing Reform Management by the	3.10



			Reform Secretariat	
2. Strengthening the PIM-PPP framework and function	2.20	Revised	2. Supporting reform implementing MDAs through Reform Support Fund	8.50
3. Strengthening of the public procurement framework and function	0.50	Revised	3. Strengthening the PIM-PPP and Public Procurement Framework and Function	4.20
<b>TOTAL</b>	<b>6.50</b>			<b>15.80</b>

**LOAN CLOSING DATE(S)**

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-B1168	Effective	31-Dec-2022	30-Jun-2024	30-Jun-2025	30-Oct-2025

**REALLOCATION BETWEEN DISBURSEMENT CATEGORIES**

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed

TF-B1168-001 | Currency: USD

iLap Category Sequence No: 1		Current Expenditure Category: G NCS CS IOC P 1,2			
6,100,000.00	3,910,063.54	5,967,000.00	100.00	100.00	
iLap Category Sequence No: 2		Current Expenditure Category: G NCS CS IOC P3			
400,000.00	415,917.75	533,000.00	100.00	100.00	
iLap Category Sequence No: 3		Current Expenditure Category: UNALLOCATED			
9,300,000.00	0.00	9,300,000.00			
<b>Total</b>	<b>15,800,000.00</b>	<b>4,397,867.96</b>	<b>15,800,000.00</b>		

**DISBURSEMENT ARRANGEMENTS**

Change in Disbursement Arrangements

Yes

**Expected Disbursements (in US\$)**

Fiscal Year	Annual	Cumulative
2020	151,235.73	151,235.73
2021	682,429.79	833,665.52
2022	1,771,316.30	2,604,981.82
2023	2,500,000.00	5,104,981.82
2024	5,500,000.00	10,604,981.82
2025	4,732,378.56	15,337,360.38

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Substantial	● Substantial
Macroeconomic	● High	● High
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● High
Fiduciary	● Moderate	● Substantial
Environment and Social	● Moderate	● Moderate
Stakeholders	● Substantial	● Substantial
Other		● Low
Overall	● Substantial	● Substantial

**LEGAL COVENANTS – Strengthening Reform Management in Jordan (P171965)**

Loan/Credit/TF	Description	Status	Action
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TF-B1168	Schedule 2, Section I. A. 1. No later than three (3) months after the Effective Date, the Recipient shall establish and thereafter maintain within MOPIC, throughout Project Implementation, Reform Secretariat, with composition, functions, resources and staffing satisfactory to the Bank, including, without limitation, a monitoring and evaluation specialist, specialist responsible for social safeguards and a stakeholder engagement matters, and an environmental specialist. The Reform Secretariat shall be responsible for overseeing the implementation of the Five Year Reform matrix, coordination between Recipient's government entities and the donor community, reporting on the Five Year Reform implementation, and managing its communication strategy.	Complied with	Marked for Deletion
TF-B1168	Schedule 2, Section I. A. 2. The Recipient shall maintain within MOPIC the Central PIM Unit, with composition, functions, resources and staffing satisfactory to the Bank, responsible for providing oversight of public investment projects, and overseeing development and management of the national registry of investment projects.	Partially complied with	Marked for Deletion
TF-B1168	Schedule 2, Section I. A. 3. The Recipient shall cause GPD to (i) establish and thereafter maintain a JONEPS unit, with composition, functions, resources and staffing satisfactory to the Bank, to be responsible for implementation of Part 3 of the Project; and (ii) cause JONEPS unit to provide regular reporting on milestones and results framework indicators to MOPIC	Complied with	Marked for Deletion
TF-B1168	Schedule 2, Section I. C. The Recipient shall adopt, no later than three (3) months after the Effective Date, the POM, satisfactory to the Bank, and shall	Complied with	Marked for Deletion



ensure that the Project is carried out in accordance with the POM, and shall ensure that the POM is not amended, suspended, abrogated or repealed and that no provision of the POM is waived without prior approval of the Bank.

**LEGAL COVENANTS – Strengthening Reform Management in Jordan: Additional Financing (P178480)**

**Sections and Description**

The Recipient shall update, no later than three (3) months after the Effective Date of this letter, the Project Operations Manual (“POM”), satisfactory to the Bank, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the Project, including, inter alia, (i) administration and coordination, monitoring and evaluation, financial management, procurement and accounting procedures, environmental and social standards, fraud and corruption mitigation measures for the Project, including compliance with the Environmental and Social Commitment Plan (“ESCP”) and the Anti-Corruption Guidelines, (ii) the modalities for the transfer of implementational and fiduciary responsibilities between the Government Procurement Department (GPD) and the MOPIC for the implementation of Part 3 of the Project, (iii) strengthened internal controls, (iv) updated environmental and social screening procedures: (v) grievance mechanism, (vi) personal data collection and processing in accordance with the applicable national guidelines acceptable to the Bank, and (vii) such other arrangements and procedures as shall be required for the effective implementation of the Project, in form and substance satisfactory to the Bank.

Schedule 2, Section I.A. 1. No later than three (3) months after the Effective Date, or such later date as agreed by the Bank, the Recipient shall establish and thereafter maintain within MOPIC, throughout Project Implementation, the Reform Secretariat, with composition, functions, resources and staffing satisfactory to the Bank, including, without limitation, on monitoring and evaluation, for social safeguards and stakeholder engagement matters, and environmental, in accordance with the provisions of the Project Operations Manual. Staff employed by the Reform Secretariat shall be compensated in accordance with the salary scale reflected in the Project Operations Manual. The Reform Secretariat shall be responsible for overseeing the implementation of the Reform Matrix, coordination between the Recipient’s government entities and the donor community, reporting on the implementation of the Reform Matrix, and managing its communication strategy.

Schedule 2, Section I.A. 2. The Recipient shall maintain within MOPIC the Central PIM Unit, with composition, functions, resources and staffing satisfactory to the Bank, responsible for providing oversight of public investment projects, and overseeing development and management of the national registry of investment projects.

Schedule 2, Section I.A. 3. The Recipient shall, through MOPIC, be responsible for implementation of Public Procurement Reforms under Part 3(b) of the Project, in accordance with the provisions of the POM.

Article II, Section 2.01: The Recipient declares its commitment to the objective of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Parts 1 and 2 of the Project through its Ministry of Planning and International Cooperation, and Part 3 through the General Procurement Department of the Ministry of Finance until the Effective Date of the Amendment to the Grant Agreement, and thereafter through its Ministry of Planning and International Cooperation, in accordance with the provisions of Article II of the Standard Conditions and Schedule 2 to this Agreement.



**Conditions**



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Jordan

Strengthening Reform Management in Jordan: Additional Financing

Project Development Objective(s)

To strengthen coordination and delivery of policy reforms in Jordan with a focus on the updated Reform Matrix

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<b>to strengthen coordination &amp; delivery of policy reforms i with a focus on the updated Reform Matrix (Action: This Objective has been Revised)</b>					
Number of policy reforms in 12 Pillars of the updated Reform Matrix completed by MDAs with the support of the Reform Secretariat (Number)		61.00	65.00	70.00	80.00
<b>Action: This indicator has been Revised</b>					
Of which number of policy reform that benefit women (Number)		13.00	14.00	16.00	20.00
<b>Action: This indicator has been Revised</b>					
Number of policy reforms that integrated stakeholders including citizens, business, academia feedback through stakeholder consultations organized by MDAs in partnership with the Reform Secretariat (Number)		0.00	5.00	10.00	20.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<i>Action: This indicator has been Revised</i>					
Percentage of new public investment projects (PIPs) registered in NRIP that were included in the budget as described in PIM legal and policy framework. (Percentage)		12.00	20.00	40.00	60.00
<i>Action: This indicator is New</i>					
Adoption of sustainable procurement policy on green procurement and/or SME including women-led SME (Yes/No)		No	No	No	Yes
<i>Action: This indicator has been Revised</i>					

**Intermediate Results Indicators by Components**

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<b>Component 1. Enhancing Reform Management by the Reform Secretariat (Action: This Component has been Revised)</b>					
Number of policy briefs filed by the Reform Secretariat to cabinet on policy reform implementation (Number)		0.00	2.00	3.00	5.00
<i>Action: This indicator has been Revised</i>					
Number of technical working groups which include reform implementing MDAs operationalized by Reform		0.00	3.00	3.00	6.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Secretariat (Number)					
<i>Action: This indicator has been Revised</i>					
The Reform Secretariat is established at MoPIC and staffed with at least 10 team members (Yes/No)	No		Yes	Yes	Yes
<i>Action: This indicator has been Revised</i>					
<b>Component 2. Supporting Implementing MDAs through Reform Support Fund (Action: This Component has been Revised)</b>					
Number of MDAs supported by the Reform Support Fund (Number)		15.00	16.00	18.00	20.00
<i>Action: This indicator is New</i>					
Percentage of the RSF disbursed to priority reform areas (Percentage)		0.00	30.00	40.00	60.00
<i>Action: This indicator is New</i>					
Number of stakeholder engagement consultations organized by MDAs that involved stakeholders including civil society, businesses and academia with support from the Reform Secretariat (Number)		0.00	6.00	10.00	15.00
<i>Action: This indicator is New</i>					
<b>Component 3. Strengthening the PIM-PPP and Public Procurement Framework and Function (Action: This Component has been Revised)</b>					
Number of government officials trained in PIM-PPP Framework of Jordan		85.00	90.00	95.00	100.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
(Number)					
<b>Action: This indicator has been Revised</b>					
Number of government officials trained on PPP project financing (Number)		0.00	5.00	10.00	15.00
<b>Action: This indicator is New</b>					
A pipeline plan for PPP projects developed (Yes/No)		No	No	No	Yes
<b>Action: This indicator is New</b>					
The National Registry of Investment Projects (NRIP) acquired and operationalized (Yes/No)		No	Yes	Yes	Yes
<b>Action: This indicator has been Revised</b>					
Fiscal risk assessment guidelines issued by the Ministry of Finance (Yes/No)		No	Yes	Yes	Yes
<b>Action: This indicator has been Revised</b>					
Revised PPP Guidelines produced and approved (Yes/No)		No	Yes	Yes	Yes
<b>Action: This indicator has been Revised</b>					
Standardized project concept notes templates for public investment projects and PPP projects produced (Yes/No)		No	Yes	Yes	Yes
<b>Action: This indicator has been Revised</b>					



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
Project development fund (PDF) established and operationalized (Yes/No)	No		Yes	Yes	Yes
<b>Action: This indicator has been Revised</b>					
Percentage of government MDAs using JONEPS for processing procurement (Percentage)	4.00		15.00	25.00	40.00
<b>Action: This indicator is New</b>					
Adoption of the professionalization framework by the Procurement Policy Committee (Yes/No)	No		No	No	Yes
<b>Action: This indicator is New</b>					
Number of businesses registered in JONEPS (Number)	2,874.00		3,000.00	4,000.00	5,000.00
<b>Action: This indicator has been Revised</b>					
Share of public procurement contract award results published online (Percentage)	0.00		100.00	100.00	100.00
<b>Action: This indicator has been Revised</b>					
Two new e-procurement modules added in one year (Yes/No)	No		Yes	Yes	Yes
<b>Action: This indicator has been Revised</b>					
Number of additional trained users of JONEPS (Number)	0.00				5,000.00





Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<b>Action: This indicator has been Marked for Deletion</b>					
Percentage of businesses satisfied with the ease-of-use of the e-procurement processes (Percentage)		0.00			60.00
<b>Action: This indicator has been Marked for Deletion</b>					

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of policy reforms in 12 Pillars of the updated Reform Matrix completed by MDAs with the support of the Reform Secretariat	This indicator measures the progress made with policy reforms (defined as cumulative number of Reform Actions) in the 12 pillars of the updated Reform Matrix initiated by reform implementing MDAs.	Semi-annual	Reform Secretariat.	Progress report of the Reform Secretariat	Reform Secretariat
Of which number of policy reform that benefit women	The indicator measures policy reforms (defined as the cumulative number of Reform Actions) in the 12 Pillar of the updated Reform Matrix that predominantly benefit	Semi-annual	Reform Secretariat	Counting the number of reforms in the updated Reform Matrix that mainly focus on women initiated	Reform Secretariat



	women that were initiated by reform implementing MDAs.				
Number of policy reforms that integrated stakeholders including citizens, business, academia feedback through stakeholder consultations organized by MDAs in partnership with the Reform Secretariat	The indicator measures the extent to which the feedback loop of stakeholders (i.e citizen, business, academia) consultations are done by the MDAs that are facilitated by the Reform Secretariat.	Semi-annual	Reform Secretariat	Reform Secretariat minutes of stakeholder engagement with citizens and businesses.	Reform Secretariat
Percentage of new public investment projects (PIPs) registered in NRIP that were included in the budget as described in PIM legal and policy framework.	This indicator measures percentage of new public investment projects (above US\$15 million, by number of projects) officially approved by GoJ which the PIM unit reviewed either at concept note or/and appraisal stages that are prior to budgeting the investment projects. This measures the level of compliance with the developed PIM legal and policy framework.	Semi-annual	NRIP at PIM Unit in coordination with the Reform Secretariat	NRIP at PIM Unit in coordination with the Reform Secretariat	Reform Secretariat with inputs from PIM
Adoption of sustainable procurement policy on green procurement and/or SME including women-led SME	This indicator measures procurement Policy Committee adopts 1) green procurement policy; and/or 2) SME policy/ women led	Semi-annual	Verification of official publication of policies.	Publication of Procurement Policy Verification of official publication of policies	Reform Secretariat with inputs from Procurement Policy Committee.



	for public procurement				
<b>Monitoring &amp; Evaluation Plan: Intermediate Results Indicators</b>					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of policy briefs filed by the Reform Secretariat to cabinet on policy reform implementation	This indicator measures the extent to which the Reform Secretariat put together policy briefs and submitted those briefs to cabinet. This is a cumulative indicator by counting the number of policy briefs filed.	Semi-annual	Reform Secretariat/MOPIC	Policy briefs on reform implementation filed by the RS to cabinet (including through the Economic Development Inter-Ministerial Committee). Verification of policy briefs filed and submitted to MOPIC Minister	Reform Secretariat
Number of technical working groups which include reform implementing MDAs operationalized by Reform Secretariat	This indicator measures Reform Secretariat coordination effort through operationalizing technical WGs that includes reform implementing MDAs by counting the number of TWGs operationalized.	Twice a year	Reform Secretariat	Progress reports from the Reform Secretariat	Reform Secretariat
The Reform Secretariat is established at MoPIC and staffed with at least 10 team members	This indicator measures the functioning of the RS established at MOPIC with adequate staff	Semi-annual	Reform Secretariat	Reform Secretariat	Reform Secretariat
Number of MDAs supported by the	This indicator measures the	Semi-	Reform	Progress reports of the	Reform Secretariat



Reform Support Fund	number of MDAs supported by the Reform Support Fund under the updated Reform Matrix	annual	Secretariat	Reform Secretariat	
Percentage of the RSF disbursed to priority reform areas	This indicator measures the extent to which the Reform Support Fund (RSF) disbursed to priority reform areas. Priority reform areas are defined as both the cross-cutting intervention, priority sector reform areas, and any other priority sector approved by the steering committee	Semi-annual	Reform Secretariat	To calculate, divide the amount disbursed to priority reform areas by total RSF funds spent at the time of calculation	Reform Secretariat
Number of stakeholder engagement consultations organized by MDAs that involved stakeholders including civil society, businesses and academia with support from the Reform Secretariat	This indicator measures the number of stakeholder engagement sessions, in accordance with Stakeholder Engagement Plan (SEP) organized by MDAs that was supported by the Reform Secretariat	Semi-annual	Progress reports from the Reform Secretariat	Progress reports from the Reform Secretariat	Reform Secretariat
Number of government officials trained in PIM-PPP Framework of Jordan	This indicator measures the number of government officials who are trained and have knowledge on PIM/PPP management based on the PIM-PPP framework in Jordan.	Twice a year	PIM Unit will keep a log on administered training with names and titles of certified participants.	PIM Unit will keep a log on administered training with names and titles of certified participants.	Reform Secretariat with inputs from the PIM/PPP unit



<p>Number of government officials trained on PPP project financing</p>	<p>This indicator measures the number of officials trained in PPP. Training includes non/limited recourse structures for project financing PPPs; understanding various project finance structures and the role of key players (sponsors, lenders, financiers, construction/O&amp;M companies), including project risk allocation methodology, risk pricing models, cash flow models, cash flow securitization, transaction structuring, credit enhancement structures, drafting security packages/contractual documents.</p>	<p>Semi-annual</p>	<p>PPP Unit will keep a log on the number of PPP certified officials</p>	<p>RS will keep a log on the number of government officials trained</p>	<p>Reform Secretariat with inputs from the PPP unit</p>
<p>A pipeline plan for PPP projects developed</p>	<p>This indicator measures whether the pipeline plan for PPP projects is developed by the PPP unit with the support of the Reform Secretariat</p>	<p>Semi-annual</p>	<p>The pipeline plan for PPP projects</p>	<p>The pipeline plan for PPP projects</p>	<p>Reform Secretariat with inputs from the PPP unit</p>
<p>The National Registry of Investment Projects (NRIP) acquired and operationalized</p>		<p>One time</p>	<p>PIM Unit</p>	<p>NA</p>	<p>MOPIC</p>



Fiscal risk assessment guidelines issued by the Ministry of Finance		One time	PPP unit, Ministry of Finance	NA	Reform Secretariat
Revised PPP Guidelines produced and approved		One time	PPP Unit/Directorate	NA	Reform Secretariat
Standardized project concept notes templates for public investment projects and PPP projects produced		One time	Central PIM Unit and PPP Unit/Directorate	NA	Reform Secretariat
Project development fund (PDF) established and operationalized		One time	PPP Unit/Directorate	NA	Reform Secretariat
Percentage of government MDAs using JONEPS for processing procurement	This indicator measures percentage of government agencies (by number of entities and units against total entities and units enrolled in JONEPS) using JONEPS for processing procurement.	Semi-annual	JONEPS database.	Verification of JONEPS database and GPD annual report on implementation of e-procurement	Reform Secretariat with inputs from GPD
Adoption of the professionalization framework by the Procurement Policy Committee	This indicator measures adoption of the professionalization framework by the Procurement Policy Committee	Semi-annual	Reform Secretariat with the inputs from PPC	PPC website or publication	Reform Secretariat with the inputs from PPC



Number of businesses registered in JONEPS	This indicator measures number of users who are private sector businesses, public sector procurer and civil servants, civil society, media, etc. who register with JONEPS. The system can only be operable once the number of users is significant	Semi-annual	JONEPS	Report generated by JONEPS on the number of users	Reform Secretariat with the inputs from GPD
Share of public procurement contract award results published online	Share of public procurement contract award (under JONEPS) results published online.	Twice a year	JONEPS reports	GTD and GPD will ensure keeping a log of all contract awards. JONEPS will be used to substantiate the ratio of the contracts published online in comparison with the total of awarded contracts	GPD and GTD
Two new e-procurement modules added in one year		One time	JONEPS	NA	GPD
Number of additional trained users of JONEPS	The number of trained users are above the actual number of 2,795. However, the system doesn't record how many were registered and trained but then replaced by others due to rotation (in public sector) or replaced (to private	Twice a year	GPD	GPD will keep a log on administered trainings	GPD



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	sector).				
Percentage of businesses satisfied with the ease-of-use of the e-procurement processes	The targeted result has been over-achieved.	Twice a year	JONEPS	JONEPS database. Verification of JONEPS database and GPD annual report on implementation of e-procurement.	GPD





**ANNEXES**

**Annex 1: Number of additional policy reforms coordinated by the RS under the RM.**

No.	List of reforms
1	Adopted and enforced the Electricity Bill Recovery Mechanism to settle the issue of arears (as part of Roadmap for Financial Sustainability of the Electricity Sector)
2	Conducted the Quarterly Tariff Reviews and took necessary and timely measures, including tariff adjustments as needed, to ensure NEPCO zero or positive operating balance as of 2019 (as part of Roadmap for Financial Sustainability of the Electricity Sector).
3	Finalizing a new PPP Law including the establishment of a Project Development Fund to package and prepare a pipeline of ready to invest PPPs.
4	Abolished the 1953 Crafts and Industries Law which led to the cancellation of the health licenses.
5	Introduced a new Investor Grievance Redress Mechanism supported by a new Investor Grievance Bylaw
6	Approved Public Investment Management - Public Private Partnership Policy Note and endorsed the PIM - PPP Governance Framework.
7	Approved a targeting mechanism for delivering electricity support benefits that will help in providing social protection to the poor.
8	Issued a waiver to fees for work permits for Syrian workers for 2019.
9	Issued Investor Grievance Redress Mechanism Instructions
10	The COM has approved the NEPCO's debt optimization implementation plan.
11	MEMR submitted to the Council of Ministers the results of a review of the power purchase agreements and other related agreements for significant power generation projects.
12	Issued a waiver to fees for work permits for Syrian workers for 2020.
13	Amend the labor code to protect women who do report harassment and violence from losing their jobs and/or opportunities for career advancement.
14	Implemented the abolishment of the Crafts and Industries Law and worked to identify the specific health license cost that will be saved for new companies
15	Coordinated the implementation of removing the approval process for construction permits by the Telecom, Electricity, and Water authorities including the issuance of a new GAM white book for approvals.
16	Following up on the reform to integrate the data of the Department of Land and Survey with GAM so that GAM records are updated automatically anytime there is a new sale.
17	Coordinated the implementation of the National Single Window and helped Jordan Customs to identify the current and future impact of the National Single Window and helped identify further reforms needed to help the Business Environment.
18	Implementation of the Insolvency Framework that includes training and certification of insolvency practitioners, training of judges and establishing the SOPs to implement an online insolvency registry
19	Provision prohibiting discrimination on the basis of gender in obtaining credit were introduced in CBJ's instructions regarding dealing with clients fairly and transparently
20	Update the passport application form to equalize requirements and documents to apply for a passport for women and men and remove the requirements to present the Family Book
21	MoL has published in the Official Gazette an instruction enabling issuance of Flexible Work Permits to Syrians
22	Issued a waiver to fees for work permits for Syrian workers for 2021.
23	MOPIC adopted a Project appraisal methodology to apply to all large PIP and PPP (over JOD 10M) and published an updated Project concept note template to apply to all PIPs and PPPs, with detailed guidance on (a) public consultation and citizen engagement, (b) social and environmental assessment (disaggregated by social groups, including gender), (c) disclosure of information, and (d) assessment for climate responsive projects.
24	MoEnv issued an instruction under the Climate Change Bylaw of 2019 to include a definition of private, non-government and government capital expenditure financing for climate responsive projects towards with Jordan's NDC under the Paris Agreement of 2015.
25	MoEnv deployed MRV system in target government agencies.
26	Adopted a roadmap for operationalizing Climate Finance Governance System.
27	MoEnv issued Green Bonds Guidelines.
28	MoTA adopted and published a National Tourism strategy developed in consultation with private sector including environmentally friendly transport modes.
29	MoTA published a Gender and Inclusion Project Plan, developed in consultation with sector associations.
30	MoA prepares guidelines for the safe application of pesticides for different agriculture products and makes those guidelines available



No.	List of reforms
	online on the MoA website and include them in in the extension services.
31	Tariff and subsidy reforms adopted by COM and published (new Household electricity tariff with targeted subsidies developed)
32	MOSD issued an instruction governing the licensing of home-based childcare and enacts such instruction through its publication in the Official Gazette.
33	Launch a new National Employment Program
34	Merge work and residence permits
35	ISCO-8 occupation classification groups adopted for work permits
36	COVID-19 Tourism Recovery Program
37	Reducing non-revenue water and energy efficiency of the water sector
38	Customs tariffs restructured
39	Issued a waiver to fees for work permits for Syrian workers for 2022.
40	Issued a waiver to fees for work permits for Syrian workers for 2023.
41	GAM vocational licensing law enacted, which came into force in Aug 2022
42	MoL has implemented the National Integrated Inspection Management System, where MoL also has launched the Electronic Control Room for inspection with a view to developing the inspection and workers' protection system.
43	ASEZA's Law amended to expand jurisdiction of ISTD and Customs to cover Aqaba Special Economic Zone
44	Anti-smuggling of cigarettes mechanism implemented
45	GoJ's Macro-fiscal Framework developed
46	Procurement Complaints unit established
47	JONEPS deployed to cover Ministries of Health and Education
48	Procurement Policy and oversight unit established
49	NRIP system implemented and rolled out
50	RIA guidelines amended and adopted to ensure better targeting of analytical efforts, and inclusion of guidance on ex-post evaluation of legislation
51	New Investment Law adopted
52	Investment Promotion Strategy developed and approved
53	Integration of climate-environmental aspects into the transport strategy and potential financing opportunities considered
54	Grid strengthened to increase trade; electricity export enhanced through regional interconnection
55	Cost of Service and Tariffs Review findings and recommendations circulated government
56	MoTA new functional units are established and operational
57	Social and Environmental impact assessment of the Tourism Strategy conducted
58	Facilitate access into Jordan by simplifying Covid 19 protocols
59	2030 Climate Investment Pipeline and Mobilization Plan approved
60	National GHG Registry operational and one carbon market transaction launched
61	Water sector financial sustainability roadmap adopted

### Including reforms that predominantly benefit women.

No.	List of reforms
1	Amend the labor code to protect women who do report harassment and violence from losing their jobs and/or opportunities for career advancement.
2	Provision prohibiting discrimination on the basis of gender in obtaining credit were introduced in CBJ's instructions regarding dealing with clients fairly and transparently
3	Update the passport application form to equalize requirements and documents to apply for a passport for women and men and remove the requirements to present the Family Book
4	MOSD issued an instruction governing the licensing of home-based childcare and enacts such instruction through its publication in the Official Gazette.
5	Launch a new National Employment Program
6	Issued a waiver to fees for work permits for Syrian workers for 2022.
7	Issued a waiver to fees for work permits for Syrian workers for 2023.



No.	List of reforms
8	GAM vocational licensing law enacted, which came into force in Aug 2022
9	MoL has implemented the National Integrated Inspection Management System, where MoL also has launched the Electronic Control Room for inspection with a view to developing the inspection and workers' protection system.
10	RIA guidelines amended and adopted to ensure better targeting of analytical efforts, and inclusion of guidance on ex-post evaluation of legislation
11	New Investment Law adopted
12	Social and Environmental impact assessment of the Tourism Strategy conducted

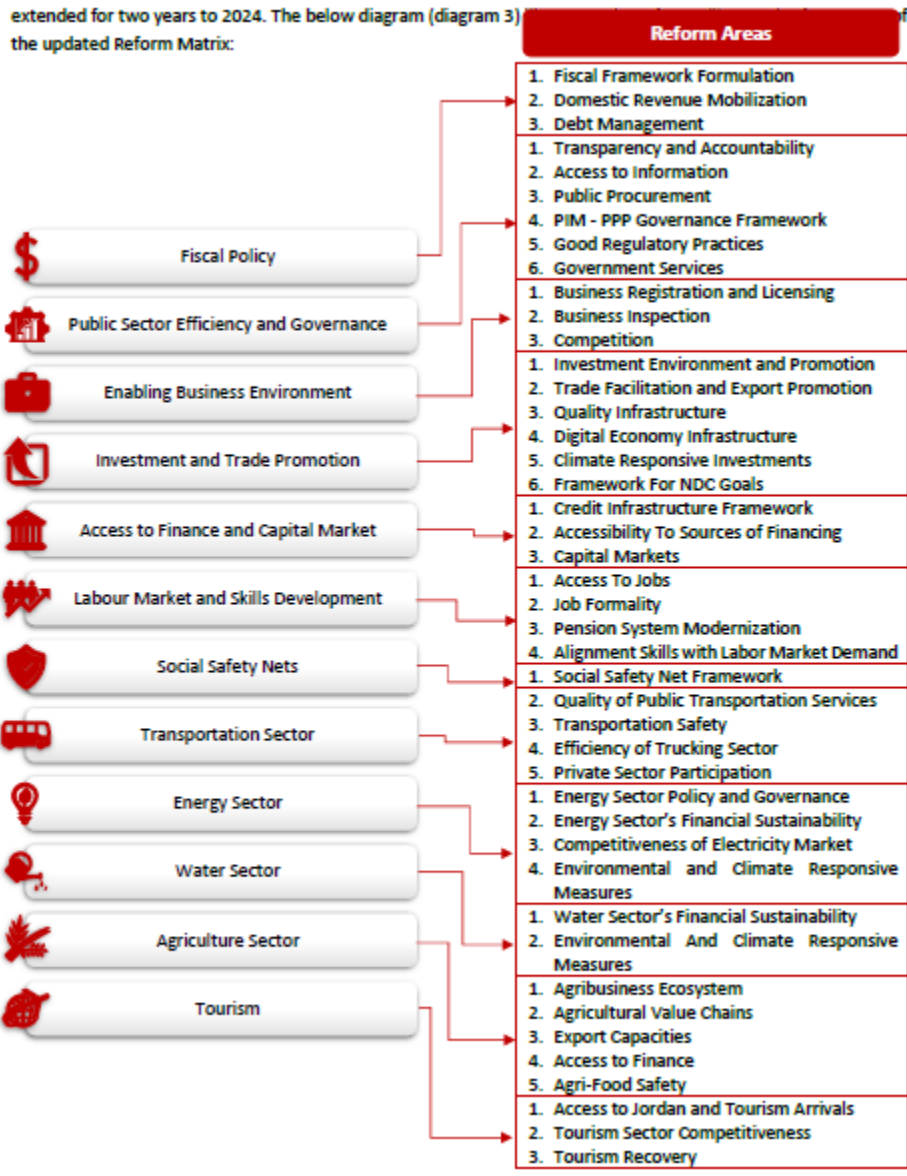


**Annex 2: Ministries or Agencies supported by the Reform Support Fund**

1	Ministry of Planning and International Coordination, PIM Unit
2	Ministry of Digital Economy and Entrepreneurship
3	Ministry of Labour
4	Ministry of Energy and Mineral Resources
5	Ministry of Industry, Trade and Supply
6	Ministry of Finance (Income and Sales Tax Department, FCCL unit)
7	Ministry of Social Development
8	Ministry of Tourism and Antiquities
9	Ministry of Transport
10	Ministry of Investment (previously Jordan Investment Commission) and the PPP Unit
11	Prime Minister’s Office (Regulatory Impact Assessment Unit)
12	Ministry of Environment
13	Audit Bureau
14	Jordan Customs Department
15	Department of Statistics
16	Jordan National Commission for Women



Annex 3: The pillars and reform areas of the updated Reform Matrix.



(Source: MOPIC, 2022, Reform Matrix 2021 at a Glance.)



**Annex 4: Detailed mapping between updated RM and Economic Modernization Vision.**

Vision Pillars	Implementation Drivers	Vision Sectors	Reform areas under the updated Reform Matrix
Pillar 1 - Economic Growth	1. High-Value Industries	1. Mining	
		2. Chemical Products	
		3. Pharmaceuticals	
		4. Engineered Products	
		5. Textile Products	
		6. Agriculture and Food Security	Pillar 11 - Agriculture Sector
		7. Food Products	Pillar 11 - Agriculture Sector
		8. Logistics	Pillar 4 - Investment and Trade Promotion and Pillar 8 - Transportation Sector
	2. Future Services	1. ICT / Digital Economy	Pillar 2 - Public Sector Efficiency and Governance and Pillar 4 - Investment and Trade Promotion
		2. Creative Industries (e-gaming)	
		3. Creative and design	
		4. Film	
		5. Healthcare	
		6. Financial Services	Pillar 1 - Fiscal Policy and Pillar 5 - Access to Finance and Capital Markets
		7. Trade	Pillar 3 - Investment and Trade Promotion
		8. Mobility	Pillar 8 - Transportation Sector
	3. Destination Jordan	1. Culture and Nature Tourism	Pillar 12 - Tourism Sector
		2. Medical and Wellness Tourism	Pillar 12 - Tourism Sector
		3. Faith Tourism	Pillar 12 - Tourism Sector
		4. Film Production Locations	Pillar 12 - Tourism Sector
	4. Smart Jordan	1. Education	
		2. Early Childhood Education	
		3. K12	
		4. Higher Education	
		5. Technical and Vocational Education and Training	Pillar 6 - Labor Market and Skills Development
		6. Access to Data	Pillar 2 - Public Sector Efficiency and Governance
		7. R&D and Innovation	
		8. Entrepreneurship and startups	Pillar 3 - Enabling Business Environment
5. Sustainable Natural Resources	1. Energy	Pillar 9 - Energy Sector	
	2. Water	Pillar 10 - Water Sector	
Pillar 2 - Quality of Life	6. Invest Jordan	1. FDI	Pillar 4 - Investment and Trade Promotion
		2. Domestic Investments	Pillar 4 - Investment and Trade Promotion



		3. PPP Projects	Pillar 2 - Public Sector Efficiency and Governance
		4. Mega Projects	Pillar 2 - Public Sector Efficiency and Governance
	<b>8. Vibrant Jordan</b>	1. Urban Development	Pillar 8 - Transportation Sector
		2. Quality of Life	
<b>Pillar 3 - Sustainability</b>	<b>7. Green Jordan</b>	1. Green Economy	Cross-cutting across Reform Matrix
		2. Green Economic Sectors	Pillar 8 - Transportation Sector, Pillar 9 - Energy Sector, Pillar 10 - Water Sector, Pillar 11 - Agriculture Sector and Pillar 12 - Tourism Sector
		3. Green Living	Cross-cutting across Reform Matrix
		2. Quality of Life	